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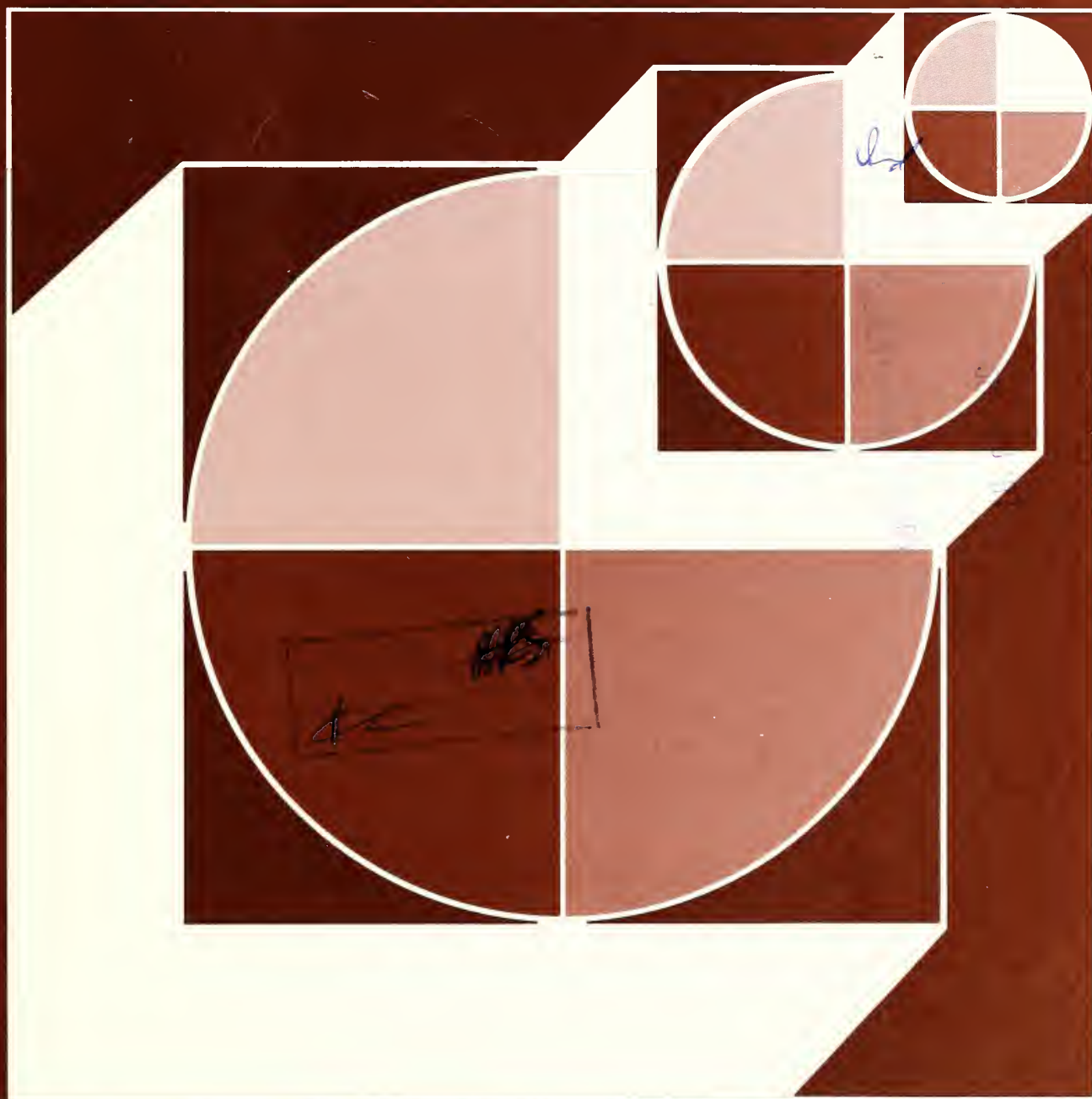
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Family Economics Review

1987 No. 4

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Issued October 1987

Family Budget Guidelines

By Colien Hefferan
Economist

"How much does it cost the average American family to live the average American life?" This seemingly simple question about family budget guidelines, and its corollary, "How much should we spend?" are among the most frequently asked questions of family economists. Creditors would like to be able to assess a borrower's ability to pay by comparing his actual spending and obligations to a statistical standard. College financial aid officers could use family budget guidelines in setting need and eligibility criteria for student assistance. Policy makers need standards to establish the income adequacy levels that underlie poverty measures and to evaluate levels of living among groups and over time. Educators and financial planners want family budget guidelines to assist families in managing their money.

Developing accurate descriptions and profiles of family spending patterns has been the focus of family economics research for more than 200 years, yet consistent, reliable, and useful estimates continue to elude researchers and practitioners. This article reviews the history of budget guideline research and development and identifies criteria for evaluating the usefulness of current indicators of expenditure levels and patterns as family budget guidelines.

HISTORY

Family budget guidelines date back to 1767 when Arthur Young [cited in Monroe (8)] presented a scheme of expenditures by which English agricultural laborers could meet their current needs and save for the future. Ten years later, David Davies [cited in Monroe (8)] systematically collected expenditure data from 135 families and published the data, with no summaries or averages, to provide a basis for understanding the problems of the poor.

Interest in family budgets grew throughout Europe. In 1853 budgets were the center of discussion at the First International Statistical Congress in Brussels (8). Shortly

thereafter the Belgian and French Governments supported data collection, analysis, and publication of information on family expenditures. The French study, conducted by Frederic LePlay (6), became the best known and most influential of the early studies. LePlay presented data on living conditions and family spending in France and other European countries, including England, Norway, Russia, and Spain. His research laid the groundwork for studying family expenses as a way to understand societal conditions and family living patterns.

Ernst Engel, representing Saxony at the Statistical Congress in Brussels, took the analysis of household accounts several steps further. Using limited information from Saxony and drawing on the data and analysis of LePlay and other European contemporaries, he hypothesized and tested a series of relationships among the components of household income and expenditures. These relationships, known as Engel's laws (8), are the basis for much household economic analysis today. The laws include:

1. The greater the revenues of an individual or a family, the more fully do they provide the means necessary for the satisfaction of all the needs of existence. The less the revenues, the greater is the proportion devoted to expenditures for physical and material needs, and the less the remainder for expenditures for religion, for moral and intellectual needs, and, in general, luxury.
2. The smaller the sum essential for the satisfaction of physical and material needs, the greater the proportion that must be used for food alone.
3. The greater the inadequacy of the sum available for food, the less able is a person to obtain food of the quality needed. Under these conditions, one must have recourse to foods that are less expensive but also less nourishing and strengthening.

The most frequent summary of Engel's laws simply states that relative expenditures for food increase with a decrease in well-being. However, the laws have been restated and extended by others to cover specific components of family expenditures such as clothing, lodging, and utilities. The laws

and their extensions, as well as Engel's careful nomenclature and methods, established the theoretical and methodological basis for the collection and analysis of household budget data.

In the United States, the first nationwide expenditure survey was conducted by the Bureau of Labor Statistics (BLS) in 1888-1891 to obtain cost-of-living data for the working population (12). The survey program was expanded in 1901 and 1917-19 to collect comprehensive information on all categories of family expenditures. During 1934-36, BLS conducted two surveys--a limited survey of expenditure levels, and an extensive study of expenditures, income, occupation, region, race, and family composition. The first was used for revising the Consumer Price Index (CPI); the latter, for analysis of family expenditure patterns and the development of family budget guidelines. Expenditure surveys were again conducted in 1941-42, 1960-61, 1972-73, and beginning in 1980 on a continuing basis (13).

Using data collected in the 1960-61 Consumer Expenditure Survey (CES), BLS developed a set of budgets representing the costs

of three hypothetical lists of goods and services specified to portray three relative standards of consumption--lower, intermediate, and higher (10). The budgets were designed for a precisely defined urban family and a retired couple. The family comprised a 38-year-old husband employed full time, a nonworking wife, a boy of 13, and a girl of 8. The family was assumed to have been established for 15 years; be settled in the community; and hold an average inventory of clothing, household furnishings, major durables, and equipment. Similar limiting assumptions were made about the retired couple.

The budgets were not intended to represent how families of this type actually spent or should have spent their money. Rather they reflected assumptions and analysis about the manner of living at each consumption level. Some components, such as food at home, were based on scientific standards. Other components, such as shelter, reflected prevailing social standards.

The BLS family budgets illustrated several of the relationships observed by Engel more than a century earlier (table 1). At the

Table 1. Budget allocations for a 4-person family at 3 levels of living, urban United States, autumn 1981¹

Component	Lower	Intermediate (percent)	Higher
Total family consumption.....	79	72	65
Food	30	23	19
Housing	18	22	22
Transportation	9	9	8
Clothing.....	6	5	5
Personal care.....	2	2	2
Medical care.....	10	6	4
Other family consumption	4	5	5
Total nonconsumption.....	21	28	35
Other items	4	4	5
Social Security and disability	7	7	5
Personal income taxes	10	17	25

¹ Calculated as percentages from expenditure levels reported by the U.S. Department of Labor, Bureau of Labor Statistics (11).

lower standard of consumption, a larger budget share was allocated for food and other necessities than at the higher standard. Taxes and other nonconsumption items claimed a larger budget share at the higher standard than at the lower or intermediate standards. Some items such as clothing and personal care, although claiming widely dissimilar dollar amounts, were at a similar budget share across all levels of consumption.

The budgets, which included all major categories of consumption and taxes, were updated quarterly until 1969 by directly pricing the quantities of goods and services detailed for each level. Beginning in 1970, the budgets were updated by applying the price changes for individual components as reported in the CPI. In autumn 1981, BLS released the final quarterly update of the budgets, citing the need for costly new methodologies and expenditure and price data.

CURRENT INDICATORS

Since BLS discontinued releasing family budget data in 1981 (11), those providing financial advice to families and economic guidance to decision makers have been without an ongoing statistical series specifically designed to describe the spending patterns of American families.¹ In the absence of the BLS series, what Federal data are available from which to assess spending patterns and standards? This section reviews several sources and identifies criteria for evaluating their usefulness as current indicators of family budget guidelines.

BLS Family Budget Data--Updated

BLS discontinued the family budget series in 1981 because the expenditure data on which it was based were 20 years old, the family type represented was atypical of

¹ The Community Council of Greater New York (2) periodically publishes standard budgets based on expenditure patterns and costs of families in New York City. The guidelines are developed using methods similar to those used by BLS in the family budget program. The spending estimates are applicable only to New York City households, however.

American households, the methods for assigning quantities of goods and services at each of the three levels were controversial, and the updating procedure reflected changes in prices faced by all urban consumers not just those covered in the family budgets. Despite these concerns, many continue to use these budgets because the estimates appear "reasonable" and no series has been developed to replace it. By repricing individual components of the last published budgets, using the CPI, an approximate update of the budgets can be effected. This procedure is applicable only to the consumption portion of the budgets, however. Updating the taxes and other nonconsumption components requires complicated estimates based on changing family income, Social Security earnings caps and contribution rates, and income tax liabilities.

Given the concerns that resulted in BLS discontinuing the series in 1981 and the difficulties associated with reestimating the tax and other nonconsumption components, updating the budgets is ill-advised. However, if an updated version is required for a specific purpose, such as longitudinal comparisons, some of these concerns can be ameliorated by expressing the budgets in terms of budget shares--that is, percent allocations to each component rather than spuriously accurate dollar amounts. Table 2 (p. 4) shows estimated family budget allocations updated to spring 1987 prices and reflecting current Social Security and income tax regulations and rates. This table and other estimates based on the discontinued BLS series should be used very judiciously.

BLS Expert Committee on Family Budgets Proposal

In 1978, before BLS discontinued the family budget program, it convened a panel of experts to review the data series and recommend changes and improvements. The Expert Committee recommended that four American Family Budget Standards be developed to replace the then current three family budgets. The four budgets, although based on new assumptions and methods, would continue "to express normative and quantitative standards that can be used to

evaluate levels of living among groups, between times and across regions" (14, p. 3).

The proposed budgets would be built around a standard designed to reflect the level of living of the typical family. This standard, called the Prevailing Family Standard, would be set at the median level of expenditure of two-parent families with two children.² The Expert Committee viewed this standard as affording the family the opportunity to fully participate in contemporary life. It was conceptually similar to the "modest but adequate" (intermediate standard of consumption) budget in the old series.

²The median level of expenditures would be estimated directly from the ongoing CES. In the absence of expenditure data, the Committee recommended adjusting annual income medians reported in the Current Population Survey.

Three other standards would be derived from the Prevailing Family Standard. The Social Minimum Standard would be set at half of the Prevailing Standard and could be used to define poverty and eligibility for social and economic assistance programs. The Lower Living Standard, fixed at two-thirds of the Prevailing Standard, would succeed the old, lower family budget. It would represent the level requiring frugality and few choices in achieving what Americans consider an acceptable standard of consumption. The Social Abundance Standard, set 50% higher than the Prevailing Family Standard (or three times the Social Minimum), would reflect the beginning of the expenditure range that allows choices and luxuries.

The proposed standards use an equivalence scale to calibrate differences in family size. The scale is adapted from that used in setting Federal poverty guidelines and is based

Table 2. *Budget allocations for a 4-person family at 3 levels of living, urban United States, spring 1987*¹

Component	Lower	Intermediate (percent)	Higher
Total family consumption.....	81	72	67
Food	28	20	17
Housing	22	27	27
Transportation	12	11	10
Clothing.....	5	4	4
Personal care	2	2	2
Medical care.....	8	5	4
Other family consumption	4	3	3
Total nonconsumption.....	19	28	33
Other items	3	3	4
Social security and disability	8	8	6
Personal income taxes	8	17	23

¹ Calculated as percentages from expenditure levels reported by the U.S. Department of Labor, Bureau of Labor Statistics (11); updated using components of the Consumer Price Index and The Internal Revenue Code.

on the USDA's Thrifty Food Plan.³ Table 3 shows the equivalence scale proposed by the Expert Committee and the updated values of the expenditure standards for 1984 (the latest year for which expenditure data are available).

The standards proposed by the Expert Committee are defined and estimated as expenditure totals rather than detailed family budgets. As such they may fail to meet the needs of educators, financial advisors, and consumers seeking guidelines for specific budget allocations. At the same time, however, they indicate overall expenditures associated with a range of consumption levels. Consequently, the standards may be

³ For information on Federal poverty guidelines, see "Poverty Thresholds and Poverty Guidelines," Family Economics Review 1985(1):17-18. For information on the Thrifty Food Plan, see Richard L. Kerr, et al., "USDA 1983 Thrifty Food Plan," Family Economics Review 1984(1):18-25.

useful to those (such as creditors) wishing to evaluate broad measures of economic status of specific families and to policy makers assessing economic well-being of families between groups and over time.

CES Data

The continuing CES (9) is collected in two independent parts--a quarterly interview survey and a diary survey covering two consecutive 1-week periods. Each survey includes its own sample of about 5,000 consumer units and is collected in 85 areas of the country representing the U.S. urban population. The interview survey is designed to account for 95% of expenditures; the diary survey covers only frequently purchased items such as food and housekeeping supplies. The CES data provide the primary Federal source of information about household spending. With expansion of the surveys to a continuing basis, numerous reports of spending averages, comparisons over time, and consumer response to price

Table 3. Equivalence scale and updated values of American family expenditure standards, 1984

Number of persons	Equivalence scale	Social Minimum Standard	Lower Living Standard	Prevailing Family Standard	Social Abundance Standard
1, aged .....	.50	\$6,943	\$9,261	\$13,885	\$20,828
1, nonaged.....	.54	7,498	10,002	14,996	22,494
2, aged .....	.61	8,470	11,299	16,940	25,410
2, nonaged.....	.67	9,303	12,410	18,606	27,909
3 .....	.80	11,108	14,818	22,216	33,324
4	1.00	13,885	18,523	27,770	41,655
5	1.20	16,662	22,227	33,324	49,986
6	1.39	19,300	25,746	38,600	57,900
7	1.57	21,800	29,081	43,599	65,399
8	1.74	24,160	32,229	48,320	72,479
9	1.90	26,382	35,193	52,763	79,145
10	2.05	28,465	37,972	56,929	85,394
11	2.19	30,408	40,564	60,816	91,224
12	2.32	32,213	42,972	64,426	96,639
Each additional person ..	+.12	1,666	2,223	3,332	4,999

Source: Calculated from expenditure levels reported in the 1984 Consumer Expenditure Survey, U.S. Department of Labor, Bureau of Labor Statistics.

and other economic changes have appeared in recent years (1, 3, 5). These reports describe patterns of spending rather than identifying the market basket of goods and services or overall level of expenditures needed to meet a defined consumption level.

The CES includes extensive detail on household characteristics, as well as categories of expense. Consequently, expenditure patterns of various household types have been reported. For example, Gieseman and Rogers (3) present average weekly and annual expenditures classified by household income quintile, age of reference person, region, household size, and number of earners. Using expenditure averages, they calculate budget shares to compare patterns among household types. They report that although high-income households spend much more for food and housing than do low-income households, as a percent of expenditures, their budget allocations for these necessities are relatively low. Whereas high-income households used only 44% of their budget for food and housing, low-income households spent 58%. They also report that 10% of expenditures in households with a reference person 65 years or over was spent for health care, versus 3% in households with a reference person under 25 years.

Another way to compare general welfare and specific spending patterns among households is to calculate income shares used for overall consumption and specific expenses. For example, based on annual averages reported by Gieseman and Rogers (3), the differences in spending between 1- and 2-earner households can be calculated and compared as indicated in the table below.

The table shows that 1-earner households (with significantly lower incomes) spend a larger portion of their income than do 2-earner households. Food and housing comprise a smaller proportional demand on income in 2-earner than 1-earner households. In contrast, transportation claims a similar share of income in both 1- and 2-earner families.

The usefulness of CES data in describing spending patterns of specific types of households, and therefore as budget guidelines, is limited by the relatively small size of the survey samples. Although it would seem that spending estimates among specifically defined categories of families would be highly reliable due to the homogeneity of the groups, Helmick (4) reported the CES sample was inadequate to reliably measure expenditures in households classified according to several specific characteristics. Using 1980 diary data,⁴ she found the sample dropped from 10,433 diaries to 103 when the following household qualifiers were imposed: Reference person with a high school education, annual income between \$10,000 and \$30,000, the presence of two parents and at least one child, and living in the North Central region. The coefficient of variation and measure of relative variation, indicators of stability of means and variation among groups (7), were calculated for several expenditures. Helmick concluded

⁴The CES methodology combines both 1-week diary surveys from the more than 5,000 consumer units in the sample to create a data file containing in excess of 10,000 diaries.

		Portion of household income						
	Annual income	Total expenditures	Food	Housing	Transportation	Health	Insurance	Other expenses
1-earner households ...	\$22,107	87.3	16.5	27.9	15.8	4.3	6.8	16.0
2-earner households ...	30,661	78.8	13.3	23.8	16.5	2.6	8.4	14.2

that variation was so great for some categories of expense that not even ranges of expense, much less mean levels, could be used to develop useful budget guidelines. In most cases, the sample size that resulted when family types were specifically defined reduced the reliability of the expenditure estimates.

Analysis of the 1982-83 interview data indicates similar problems in developing specific budget guidelines from CES data. The sample size dropped from 4,342 to 193 when only households in the middle-income quintile and those comprising four members were included in analysis. The standard deviation and measure of relative variation in mean expenditures among broadly versus specifically defined groups of households (such as all households versus middle-income, 4-person households) was equally large in almost all categories of expense. This suggests that high within-group variability exists in household expenditures and that the variability is not diminished when demographically homogeneous households are grouped together.

The analysis indicated several factors to consider when evaluating the variability and reliability of expenditure averages calculated from CES data:

- Longer measurement periods, combining data from several quarters or survey years, have less variability in expenditure means than shorter periods.
- Larger or continuing expenses, such as housing and food, have less variability in expenditure means than small expenditures.
- Necessities, such as food and utilities, have less variability in expenditure means than luxury items.

In sum, general guidelines for spending over long periods of time, especially for necessities, are more likely to be statistically valid than specific guidelines developed from CES data.

Expenditure Aggregates

The most frequently released Federal data on consumer expenditures is the Personal Consumption Expenditure (PCE) component of the National Income and Product Accounts. The PCE is calculated as part of the procedures to estimate Gross National Product.

PCE data are not based on household reports of spending. Rather, expenditure levels are aggregated from retail sales reports, real estate transactions, and other business and industry reports.

Although PCE data provide little guidance to specific households in managing their resources, the aggregates show overall patterns of consumer spending useful to analysts and policy makers assessing the status of the consumer sector of the economy. The data are especially useful in measuring changes over time. Tables 4 and 5 (p. 8) show the changing pattern of personal consumption during the past decade.

In Table 4 expenditures are categorized in a way comparable to family budget guidelines. The PCE data show a decline in expenditure shares for food, clothing, and housing since 1978. At the same time, medical care and personal business expenses have increased as a portion of spending. Table 5, which is arrayed according to groupings used in aggregate economic analysis, also indicates the growing importance of expenditures for services. Between 1978 and 1987, expenditures for services, adjusted for increases in prices, grew from 45.6% of PCE to 49.2%. This signals an important change in the economy. Similarly, other trends can be identified by monitoring PCE data.

FUTURE BUDGET GUIDELINE DEVELOPMENT

Scientific standards of need and social standards of adequacy may exist for many areas of consumer expense, but large national data sources indicate wide variability in actual consumer spending patterns. In the face of wide and apparently growing variability in spending, normative or statistically based family budget guidelines will be difficult to develop. Efforts to create computer-based expert systems and decision-making aids, based on research showing the relationship of spending patterns to the achievement of economic goals and well-being, may be the best avenue for developing new family budget guidelines.

Table 4. Personal consumption expenditures (budget shares)

[Calculated from levels adjusted to 1982 prices]

Items	1978	1980	1982	1984	1985
	(percent)				
Food and tobacco.....	21.9	21.6	20.7	19.7	19.2
Clothing, accessories, jewelry	8.0	7.5	7.5	7.5	7.4
Personal care.....	1.4	1.4	1.5	1.5	1.5
Housing	15.9	16.1	15.7	15.3	15.5
Household operation	13.6	13.8	13.3	13.1	12.7
Medical care.....	9.4	9.9	12.0	12.2	12.5
Personal business	5.3	5.6	5.7	6.1	6.6
Transportation	14.7	14.4	13.0	13.5	13.5
Recreation	6.6	6.4	6.7	6.8	6.8
Private education and research	1.5	1.6	1.5	1.6	1.6
Religious and welfare activities	1.4	1.4	2.2	2.2	2.2
Foreign travel (net).....	.3	.3	.2	.5	.5

Source: U.S. Department of Commerce, Bureau of Economic Analysis, 1986, Survey of Current Business, Vol. 66, No. 7.

Table 5. Personal consumption expenditures (budget shares)

[Calculated from levels adjusted to 1982 prices]

Items	1978	1980	1982	1984	1985	1986	1987 ¹
	(percent)						
Durable goods.....	16.2	14.8	12.3	14.3	14.8	15.3	14.8
Motor vehicles and parts	7.3	5.8	5.3	6.5	6.7	6.8	6.0
Furniture and household equipment.....	6.2	6.5	4.7	5.3	5.5	5.8	6.0
Other ²	2.7	2.5	2.3	2.5	2.6	2.7	2.8
Nondurable goods	38.2	38.3	37.6	36.9	36.1	36.0	35.9
Food	19.1	19.4	19.5	18.9	18.6	18.2	18.1
Clothing and shoes	8.1	8.4	6.1	6.4	6.3	6.4	6.5
Gasoline and oil	3.2	2.8	4.3	4.2	4.1	4.3	4.9
Fuel oil and coal .....	.5	.4	.9	.8	.7	.8	-
Other ³	7.3	7.3	6.8	6.6	6.4	6.3	6.4
Services.....	45.6	47.1	50.1	48.8	49.0	48.6	49.2
Housing	16.7	17.2	15.7	14.9	14.8	14.5	14.6
Household operation	6.3	6.6	7.0	6.6	6.5	6.2	6.2
Transportation	3.7	3.7	3.4	3.3	3.5	3.5	3.6
Medical care.....	7.6	8.0	10.6	10.2	10.2	10.2	10.3
Other ⁴	11.3	11.6	13.4	13.8	14.0	14.2	14.5

¹ First quarter data.

² Wheel goods, durable toys, sports equipment, boats, and pleasure aircraft; jewelry and watches; and books and maps.

³ Tobacco, toiletries, cleaning chemicals, drugs, sundries, nondurable toys, and stationery.

⁴ Personal care, personal business, recreation, private education and research, religious activities, and net foreign travel.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, 1986, Survey of Current Business, Vol. 66, No. 7.

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Federal Consumer and Educational Publications Relating to Family Economics

Joyce Matthews (Pitts)
Home economist

Household financial decisions affect a family's level of living. To make intelligent decisions, families require a variety of information. Several departments, agencies, and commissions of the Federal Government publish consumer and educational materials that can aid in making sound economic decisions. Dissemination of information that provides the public with interpretative results from research and study findings is often an integral part of a Federal agency's mission. Some agencies collaborate with private industry and businesses to provide consumers with publications that furnish clear explanations of technical developments.

Government publications are available to the general public, usually at low or no cost. Many can be obtained from more than one source--the originating agency, the Government Printing Office (GPO), and the Consumer Information Center. GPO handles a large inventory of books, magazines, pamphlets, posters, and maps (about 16,000 titles) and regularly issues subject matter catalogs and bibliographies. GPO Subject Bibliography SB-002, for example, lists current consumer information publications. There are also bibliographies available on such subjects as children and youth; food, diet, and nutrition; day care; higher education; energy management; gardening; and home economics. With the exception of the catalogs and bibliographies, GPO does not distribute free materials. There are 24 GPO bookstores throughout the country in addition to their mail order service.

The Consumer Information Center (CIC) helps Federal agencies promote and distribute useful consumer information. Publications may be distributed free when the issuing agency is able to pay printing and distribution costs. CIC issues four consumer information catalogs a year that list the newest and most popular publications.

Following is a list of materials that can aid in household financial planning and management. Many will also be useful to teachers, Extension agents, and other educators who teach personal finance. When sufficient supplies are available, some agencies provide multiple copies for classroom purposes. Included are publications with practical information and suggestions on managing money, and useful information on consumer laws and probable consequences of economic trends. General information publications are listed first, followed by those related to specific categories of household expense: Housing, food, transportation, energy and utilities, children, saving and investing, credit, insurance, taxes, and retirement planning. The table on pages 21-24 gives price and ordering information for each publication described.

GENERAL FINANCES

Consumer's Resource Handbook
(1986, 91 pp.)

Office of the Special Adviser to the
President for Consumer Affairs and the
U.S. Office of Consumer Affairs

To make good purchasing decisions, consumers need reliable information about products, credit, warranties, and services. The Consumer's Resource Handbook is designed to help them avoid problems in the marketplace and effectively resolve any complaints. This book is divided into two parts--Part I gives tips on how consumers can get the best value for their money, and Part II contains a consumer assistance directory. The directory lists the names, addresses, and telephone numbers of key personnel for consumer programs in industry, State and local consumer offices, professional licensing boards, and Federal agencies who are responsible for handling complaints and providing information on a variety of consumer issues.

Consumers Should Know: How to Buy a Personal Computer

(1986, 48 pp.)

Published by the Electronic Industries Association in cooperation with the U.S. Office of Consumer Affairs and the Consumer Information Center

Personal computers are versatile tools that help consumers in educating their children, running a business, or budgeting their finances. How to Buy a Personal Computer is a step-by-step guide designed to assist consumers in selecting hardware, software, and peripherals. This publication also gives cost information on computers, disk drives, monitors, modems, printers, and other equipment.

Facts for Consumers

(1985-87, 1-4 pp.)

Office of Consumer/Business Education
Bureau of Consumer Protection
Federal Trade Commission

Consumer laws change, and new means for saving and borrowing are constantly being offered. Consumers need access to information on new services, products, and regulations, explained in common terms. Facts for Consumers provides the latest details on a variety of subjects relating to finance and credit. Some recent titles of these one-to-four-page reports include:

- **Buying a Used Car.** (May 1985)
- **Cellular Telephone Lotteries** (January 1986)
- **The Credit Practices Rule** (January 1986)
- **Fair Debt Collection** (December 1986)
- **Fix Your Own Credit Problems and Save Money** (April 1987)
- **General Motors Consumer Mediation/Arbitration Program** (January 1986)
- **Layaway Purchase Plans** (February 1986)
- **Refinancing Your Home** (August 1986)
- **Scoring for Credit** (August 1986)
- **Second Mortgage Financing** (August 1986)
- **Shopping by Phone and Mail** (September 1986)
- **Solving Credit Problems** (May 1985)

How to Write a Wrong: Complain

Effectively and Get Results

(1983, 16 pp.)

Published by the American Association of Retired Persons in cooperation with the Federal Trade Commission

Most merchants hope to establish a good reputation. This fact and certain legal rights give consumers power in resolving complaints. The grievance process and why consumers should complain is explained in this booklet. Included is information on canceling a purchase from door-to-door sales, and ordering products through the mail.

If You Become Disabled

(1986, SSA Pub. No. 05-10029, 31 pp.)

Social Security Administration
U.S. Department of Health and Human Services

The loss of income because of severe injury or illness can seriously damage a family's financial well-being. Social Security provides basic protection against disability for most consumers and their families. This booklet explains the disability program, what constitutes a disability, who can receive benefits, which dependents are eligible, and how to apply. Related publications offered by the same office are:

- **Social Security for the Young Worker.**
SSA Pub. No. 05-10063
- **Your Social Security Rights and Responsibilities: Disability Benefits**
SSA Pub. No. 05-10153

Money Matters: How to Talk to and Select Lawyers, Financial Planners, Tax Preparers, and Real Estate Brokers

(1986, 12 pp.)

Published by the American Association of Retired Persons in cooperation with the Federal Trade Commission

This guide assists families and individuals wanting professional help with their legal and financial affairs. Money Matters suggests how to decide when professional advice is needed; select the right lawyer, financial planner, tax preparer, or real estate broker; evaluate professional services; keep good financial records; and complain when services rendered are unsatisfactory.

Managing Your Personal Finances
(1986, Home and Garden No. 245, 90 pp.)
**Agricultural Research Service and
Extension Service**
U.S. Department of Agriculture

With so many financial choices to make, consumers often need help in deciding where to invest, whether to purchase a house, or how much to spend on food and other expenses. This workbook is designed to help them use the budgeting process to meet their financial goals. Managing Your Personal Finances is divided into three sections: The Principles of Managing Your Finances helps consumers make a working budget; Financial Tools Used in Money Management gives information on savings, insurance, and credit; and Coping With Change suggests ways to adjust to retirement and changes in the economy.

HOUSING

Buying a Home? Don't Forget the Settlement Costs
(1980, HUD-342-H(9), 1-page pamphlet)
**Office of Public Affairs, U.S. Department of
Housing and Urban Development**

In addition to the cash required for a downpayment, homebuyers must have money for settlement. This brochure describes the settlement process and costs. It defines and explains many of the terms associated with mortgages and real estate closings--such as origination, settlement, and escrow fees; points; reserve accounts; and title insurance.

Buying Lots From Developers
(1982, HUD-357-I(6), 20 pp.)
**U.S. Department of Housing and Urban
Development**

Consumers may purchase land for investment purposes or as a site for a future residence, retirement home, vacation cabin, or campsite. Whatever the reason, each purchaser must decide if the property is a good buy. This booklet is written to help prospective lot buyers obtain necessary information before spending money. Topics discussed in Buying Lots From Developers include heeding related laws and regulations,

researching the lot, investigating the developer's reputation, using the right to cancel a contract, and knowing where to complain about dishonest sales practices.

How to Buy a Manufactured Home
(23 pp.)
**Published by the Manufactured Housing
Institute in cooperation with the
Federal Trade Commission**
Office of Consumer and Business Education

Manufactured homes (referred to as mobile homes in the past) comprise about one-third of all new single-family homes purchased in recent years. How to Buy a Manufactured Home explains how to choose an affordable unit, which options and features to consider, what local regulations must be met, and how the home should be transported and installed on the permanent site.

**To the Home-Buying Veteran: A Guide for
Veterans Planning to Buy or Build Homes
With a VA Loan**
(1984, VA pamphlet 26-6, 34 pp.)
Department of Veterans Benefits
Veterans Administration

Mortgage loans insured by the Veterans Administration (VA) usually offer one of the lowest interest rates available to consumers. To the Home-Buying Veteran is designed to assist those who are planning to purchase or construct homes. Topics discussed include selecting a house, determining initial costs and future expenses, deciding what a sales contract should include, and considering the responsibilities related to the repayment of a loan. This booklet has useful information for both veterans and nonveterans. Related publications from the Veterans Administration include:

- **VA-Guaranteed Home Loans for Veterans**
(VA Pamphlet 26-4)
- **Pointers for the Veteran Homeowner**
(VA Pamphlet 26-5)

FOOD

Making Food Dollars Count: Nutritious Meals at Low Costs

(1983, Home and Garden Bulletin No. 240, 26 pp.)

Human Nutrition Information Service
U.S. Department of Agriculture

Making Food Dollars Count provides sample meal plans and suggestions on ways to buy and use food in order to serve nutritious, low-cost meals and snacks to a family of four for 2 weeks. Menus with food shopping lists and recipes that emphasize economical foods are included. The meal plans are based on consumers' food shopping habits as indicated by national surveys.

Your Food Dollar in Perspective

(1986, 1-page pamphlet)

Federal Reserve Bank of Richmond

Even though food prices have risen, consumers now spend a smaller percentage of their income on food than ever before. This educational brochure looks at the cost of food in the United States and explains how food prices are measured and what makes food prices change.

Your Money's Worth in Foods

(1984, Home and Garden Bulletin No. 183, 39 pp.)

Human Nutrition Information Service
U.S. Department of Agriculture

Proper management of the food budget results in good nutrition and increased eating pleasure. Your Money's Worth in Foods is for consumers who want to economize on their food budget; and for teachers, Extension agents, and other professionals who advise families about budgeting for food. It includes many practical suggestions on how to balance costs and nutrition. Topics discussed include when and where to shop, how much to spend for food, how much food to buy, planning menus, and reducing food costs and waste.

TRANSPORTATION

A Consumer Guide to Vehicle Leasing (16 pp.)

Published by the Federal Trade Commission
in cooperation with the New Car Dealers
Association of Metropolitan Dallas and the
National Vehicle Leasing Association

Recent changes in Federal income tax laws will phase out deductions for sales taxes and finance charges on cars and other purchases. Many consumers are now considering the advantages of leasing versus purchasing cars, trucks, and vans for long-term, personal use. A Consumer Guide to Vehicle Leasing lists the different types of leasing plans covered by the 1976 Consumer Leasing Act and explains the costs and characteristics of each type of plan. This guide also reviews consumer rights and liabilities in vehicle leasing.

The Cost of Owning and Operating Automobiles and Vans

(1984, HHP-41/5-84(150M)QF, 20 pp.)

Office of Highway Planning
Federal Highway Administration
U.S. Department of Transportation

Studies show that the average passenger vehicle stays on the road for about 12 years and 120,000 miles, and is sold or traded at least twice. Eventually, all vehicles will need some type of repairs, but costs can vary. In addition to the initial purchase price, consumers need to know what they can expect to pay in operating costs. This booklet traces the cost of owning selected vehicles through a 12-year, 120,000-mile lifetime. Yearly costs are determined for large, intermediate, compact, and subcompact cars, and for passenger vans. Costs are given for depreciation, maintenance, gas and oil, parking and tolls, insurance, and taxes.

ENERGY AND UTILITIES

How to Buy a Telephone

(1984, 1-page pamphlet)

Published by the Electronic Industries

Association in cooperation with the

U.S. Office of Consumer Affairs and the

Consumer Information Center

General Services Administration

Since divestiture of the telephone company, consumers have a choice of telephone services and equipment. This pamphlet gives information on how to save money by purchasing a telephone and describes the kinds that are available. Questions concerning features to consider when purchasing a telephone, disposal of rented equipment, and the relative cost of renting versus buying are answered.

In the Bank or Up the Chimney: A Dollars and Cents Guide to Energy-Saving Home Improvements

(1980, HUD-PDR-89(5), 76 pp.)

Office of Policy Development and Research

U.S. Department of Housing and Urban Development

Heating and cooling a home can be costly. However, there is reliable information to help consumers save money on utilities. In the Bank or Up the Chimney is the result of research sponsored by the Department of Housing and Urban Development (HUD) on ways to conserve energy. Detailed information is given on how to make such home improvements as caulking, weather stripping, insulating, and installing storm windows and doors. A method for determining the savings factor of each energy-saving technique is also described.

Tips for an Energy Efficient Apartment

(1985, DOE/CE/24423-1, 22 pp.)

Office of Conservation and Renewable Energy

U.S. Department of Energy

Most of the energy used in apartment buildings comes from nonrenewable resources--natural gas and oil. It is, therefore, important that these resources be used wisely until new energy sources are available. This booklet contains information on low-cost measures that can help tenants save money on their utility bills by conserving energy consumption. Included are energy saving tips for heating, cooling, and lighting homes, and for conserving water and energy when using appliances.

Tips for Energy Savers

(1986, DOE/CE-0143, 29 pp.)

U.S. Department of Energy

The heating and cooling of homes consumes 48% of total residential energy use. Energy costs can be cut by making homes more energy efficient. Tips for Energy Savers explains the use of caulking, weather stripping, insulating, and the efficient use of heating equipment, air conditioners, water heaters, and home appliances. Also included are tips on how to buy or build an energy efficient home and how to maintain automobiles for maximum energy efficiency.

Your Keys to Energy Efficiency

(1985, 19 pp.)

Published by the U.S. Office of Consumer

Affairs and the Division of Consumer Affairs

U.S. Department of Energy

Consumers often spend more money than necessary on water, gas, and electricity. Saving energy can save money and conserve domestic energy resources. The purpose of this guide is to provide relevant information that can assist consumers in using energy efficiently. Topics include saving energy at home, driving conservatively, and becoming a wise energy consumer.

CHILDREN

Kids. They're Worth Every Penny. Handbook on Child Support Enforcement
(1985, 40 pp.)

Office of Child Support Enforcement
U.S. Department of Health and Human Services

The 1984 Child Support Enforcement Amendments require States to improve their effectiveness in providing support enforcement services to families. This book gives custodial parents the basic steps to follow when child support enforcement services are needed. Suggestions for locating an absent parent, establishing and enforcing the support order obligation, and working across State lines to receive payments are provided.

The Student Guide: Five Federal Financial Aid Programs
(1987, 60 pp.)

U.S. Department of Education

More than 12 million Americans are continuing their education beyond high school. This booklet is for those who need assistance in paying their tuition. It describes five U.S. Department of Education programs that can help--Pell Grants, Supplemental Educational Opportunity Grants, College Work-Study, Perkins Loans, and Guaranteed Student Loans. Also included is information on how to apply for these loans.

The Story of....
(1980-85, 21-24 pp.)

Public Information Department
Federal Reserve Bank of New York

Children benefit from an early understanding of the value of money. The Federal Reserve Bank has several comic-book-type publications aimed at teaching junior and senior high school students the relationship between money and the economy. They include:

- The Story of Banks (1985)
- The Story of Checks and Electronic Payments (1983)
- The Story of Consumer Credit (1980)
- The Story of Foreign Trade and Exchange (1985)
- The Story of Inflation (1982)
- The Story of Money (1984)

Wishes and Rainbows

(1981, 16 pp.)

Public Services Department
Federal Reserve Bank of Boston

Wishes and Rainbows, color illustrated, tells the story of a fictitious city where colors do not exist. It can be a valuable tool for teaching elementary and junior high school children the economic concepts of scarcity, supply, demand, and allocation. The Road to Roota is an accompanying teacher's guide that suggests how Wishes and Rainbows can be used for group discussions.

SAVING AND INVESTING

Buying Treasury Securities at Federal Reserve Banks
(1983, 30 pp.)

Federal Reserve Bank of Richmond

The U.S. Department of the Treasury raises funds by selling marketable securities to the general public. This book explains Treasury bills, notes, and bonds--when they are offered for sale, how and where they may be purchased, and how to receive payment when they mature.

Investigate Before You Invest
(1986, 1-page pamphlet)

U.S. Securities and Exchange Commission

Millions of consumers own corporate stocks and bonds. These invested savings help provide capital for industry, new products for the consumer, and income for the investor. Investigate Before You Invest provides information on what Federal laws protect investors and lists simple rules consumers can follow when considering the purchase of securities.

The Savings Bonds Question and Answer Book
(12 pp.)

Savings Bonds Division
U.S. Department of the Treasury

U.S. savings bonds have become a competitive investment. This question and answer booklet explains many of the characteristics of savings bonds including what kinds are available and where they can be purchased, how much interest they pay, when they mature, and the maximum amount that can be purchased annually.

**Understanding Opportunities and Risks in
Futures Trading**

(1986, 45 pp.)

National Futures Association

Buyers and sellers of commodities do business in futures markets. This brochure explains the commodities market and provides consumers with the kinds of questions they should have answered before investing, such as what risks are involved, how liquid is the investment, and how financially secure is the firm dealing in commodities.

What Every Investor Should Know

(1986, 36 pp.)

Office of Public Affairs

U.S. Securities and Exchange Commission

Today there are more types of investments available to consumers than ever before. "Securities" includes a broad range of investment instruments--stocks, bonds, mutual funds, investment contracts, limited partnerships, and real estate investment trusts. What Every Investor Should Know provides information on several categories of securities and explains the protection provided to investors by Federal law. Topics discussed include how to choose an investment, types of brokers, trading on the open market, and investment companies.

Your Insured Deposit

(14 pp.)

Federal Deposit Insurance Corporation

The Federal Deposit Insurance Corporation (FDIC) insures consumer bank accounts up to \$100,000. Not all banks are federally insured, however. This pocket-sized booklet explains the FDIC operation and how it protects bank depositors against loss. The various types of accounts that may be insured are described. Other publications of interest from FDIC include:

- Truth in Lending
- Fair Credit Billing
- Fair Credit Reporting Act
- Equal Credit Opportunity and Age

CREDIT

**Alice in Debitland: Consumer Protections
and the Electronic Fund Transfer Act**

(1980, 16 pp.)

**Board of Governors of the Federal Reserve
System**

Electronic fund transfer systems (EFT) allow payments between parties through electronic signals instead of cash or checks. This booklet describes the types of EFT systems, how they work, and laws that affect their use. Questions are answered concerning user records of EFT transactions, correction of errors, and consumer liability in the event debit cards are lost or stolen.

The Arithmetic of Interest Rates

(1984, 33 pp.)

Federal Reserve Bank of New York

This booklet explains how consumers can calculate simple and compound interest rates on loans and investments. It also includes information on how to figure monthly payments on home mortgages and installment loans.

Buying and Borrowing: Cash in on the Facts

(1986, 17 pp.)

**Published by the Federal Trade Commission
in cooperation with the U.S. Office of
Consumer Affairs**

Most consumers will use credit at one time or another. Before entering into a credit agreement they should be aware of problems that might occur. Buying and Borrowing discusses solving credit problems, cosigning a loan, getting warranty protection, shopping by phone and mail, using layaways, and other considerations when buying on credit.

**Consumer Handbook on Adjustable-Rate
Mortgages**

(1984, 25 pp.)

**Federal Reserve Board and the Federal Home
Loan Bank Board**

The interest rate on a fixed-rate mortgage remains the same throughout the life of the loan. The rate on an adjustable-rate mortgage (ARM) changes periodically. To compare one ARM to another or to a fixed-rate mortgage, consumers need to have a knowledge of indexes, margins, discounts,

caps, convertibility, and negative amortization. This booklet explains these terms and the risks and advantages to ARM's, and suggests ways to reduce the risks. It also helps consumers decide whether an ARM is an appropriate financial choice for their circumstances.

Consumer Handbook to Credit Protection Laws
(1986, 44 pp.)

Board of Governors of the Federal Reserve System

Truth in Lending legislation, passed in the late sixties, requires that creditors state the cost of borrowing in language that consumers can understand and use to compare costs. This handbook explains consumer credit laws and how they help consumers determine the cost of using credit. Included is information on what creditors look for when extending credit, how to maintain good credit histories, and how to correct mistakes in their credit report.

The Mortgage Money Guide
(1986, 16 pp.)

Federal Trade Commission

Many types of mortgages are now available. Some of the newer plans have resulted from unpredictable interest rates and housing purchase prices. Most new plans require that the borrowers assume some of the risk of increased interest rates. Other types of mortgages assist those who would not otherwise qualify for a loan because of insufficient income. This guide defines flexible-rate, graduated-payment, growing-equity, and shared-appreciation mortgages. Tables are provided to help consumers estimate monthly principal and interest costs.

The Rule of 78's or What May Happen When You Pay Off a Loan Early
(1979, 1-page pamphlet)

Department of Consumer Affairs
Federal Reserve Bank of Philadelphia

Installment loans usually require that borrowers pay most of the interest early in the life of the loan. Creditors use a mathematical formula (the rule of 78's) to determine how much interest is charged at

any point. This brochure explains that formula and shows consumers how to determine the amount of interest they can save by paying off a loan early. Other brochures of interest from this office include:

- **How to Establish and Use Credit**
- **Your Credit Rating**

INSURANCE

A Consumer's Guide to Life Insurance
(21 pp.)

Published by the American Council of Life Insurance in cooperation with the Extension Service, U.S. Department of Agriculture and the Consumer Information Center

The primary purpose of life insurance is to protect a family against the loss of an earner. Recently, however, life insurance has been combined with investment plans to earn money for a wide range of goals. This booklet helps consumers make decisions about life insurance by explaining how to decide among the various types of policies, how to choose a company, how much insurance to buy, and how to compare costs.

Guide to Health Insurance for People With Medicare
(1985, Pub. No. HCFA 02110, 19 pp.)
Health Care Financing Administration
U.S. Department of Health and Human Services

Although medicare covers a large part of health care expenses for the elderly, it does not pay for everything. This booklet explains what medicare pays and can help consumers avoid duplicate coverage when purchasing supplemental insurance. In addition, Guide to Health Insurance for People with Medicare helps the elderly consumer determine whether supplemental insurance is needed. Types of private insurance and hints on shopping for insurance are included.

Medicare and Prepayment Plans
(1987, Pub. No. HCFA 02143, 1-page pamphlet)
Health Care Financing Administration
U.S. Department of Health and Human Services

Health maintenance organizations (HMO's) and competitive medical plans (CMP's) offer consumers low-cost preventive health care. Many HMO's and CMP's have Government contracts to provide services to medicare beneficiaries. This pamphlet describes these health plans and the services they typically offer. Two related publications are:

- **Medicare and Employer Health Plans**
(Pub. No. HCFA 02150)
- **What Everyone Should Know About HMOs**

TAXES

Farmer's Tax Guide
(1986, Pub. 225, 84 pp.)
Internal Revenue Service
U.S. Department of the Treasury

The Farmer's Tax Guide explains how the Federal income tax law applies to farming. Subjects discussed include the importance of good records, accounting periods and methods, farm income, farm business expenses, soil and water conservation expenditures, and the self-employment tax. Explanations and examples are given for determining taxes and filling out returns.

Federal Income Tax Guide for Older Americans
(1987, Comm. Pub. No. 99-603, 18 pp.)
Select Committee on Aging
House of Representatives
U.S. Congress

This tax guide is designed for older consumers of moderate income. It not only emphasizes tax issues that affect the elderly, but discusses each section of the income tax form. Federal Income Tax Guide for Older Americans describes IRS publications and prerecorded messages, and contains

specific information on who must file, which form to use, getting assistance in preparing forms, taxation of Social Security and Railroad Benefits, and income tax form preparation. This publication is updated each year to include the latest tax information.

Guide to Free Tax Services
(1986, Pub. 910, 27 pp.)
Internal Revenue Service
U.S. Department of the Treasury

Guide to Free Tax Services describes the publications that are most often requested by taxpayers. It also describes the services that are available to help consumers prepare their Federal income tax returns.

Helping Older Americans to Avoid Overpayment of Income Taxes
(1987, Serial No. 100-A, 16 pp.)
Special Committee on Aging
The Senate
U.S. Congress

This publication is designed to assure that older taxpayers claim every legitimate income tax deduction, exemption, and tax credit that is due them. It includes a checklist of itemized deductions to assist consumers in preparing their tax returns. The booklet is updated each year.

Tax Information for Older Americans
(1986, Pub. 554, 53 pp.)
Internal Revenue Service
U.S. Department of the Treasury

This booklet gives basic tax information of special interest to older taxpayers. Topics discussed in detail include specific tax benefits for the elderly, Social Security and equivalent Railroad Retirement benefits, the sale of a home, taxable and nontaxable income, and calculating taxes. This publication is updated each year.

Your Federal Income Tax
(1986, Pub. 17, 200 pp.)
Internal Revenue Service
U.S. Department of the Treasury

Updated each year, Your Federal Income Tax discusses each part of the Federal return and explains the related tax laws. Income, adjustments to income, itemized deductions, credits, and gains and losses are discussed in detail. Completed forms and sources of additional information are also provided. Other publications of interest to taxpayers include:

- **Highlights of 1986 Tax Changes** (Pub. 553)
- **Is My Withholding Correct?** (Pub. 919)

RETIREMENT PLANNING

Estimating Your Social Security Retirement Check
(1985, SSA Pub. No. 05-10070, 1-page pamphlet)
Social Security Administration
U.S. Department of Health and Human Services

Many consumers would like to know how much their future Social Security checks will be. Workers who reach age 62 after 1980 can get an approximate answer in this leaflet. Actual earnings for past years are indexed to take into account changes in wages since the year they were earned. These adjusted earnings are then averaged, and the benefits rate calculated for this average. Publications that provide similar information are:

- **How You Earn Social Security Credits** (SSA Pub. No. 05-10072)
- **Thinking About Retiring?** (SSA Pub. No. 05-10055)
- **How Work Affects Your Social Security Checks** (SSA Pub. No. 05-10069)

A Guide to Planning Your Retirement Finances
(1982, Comm. Pub. No. 97-354, 32 pp.)
Prepared by the Action for Independent Maturity, American Association of Retired Persons, for the Select Committee on Aging
The House of Representatives
U.S. Congress

Many consumers reach retirement ill-prepared to provide for their financial security. This booklet is designed to help workers begin planning for their retirement. Topics include budgeting for now and for retirement, anticipating retirement income, and estate planning.

Preparing for Widowhood
(1981, Comm. Pub. No. 97-299, 38 pp.)
Subcommittee on Retirement Income and Employment
Select Committee on Aging
The House of Representatives
U.S. Congress

Although the average wife outlives her husband by 11 years, many are uninformed about family finance and are unprepared to assume financial self-sufficiency. This booklet suggests steps that women can take to prepare themselves for living without a spouse. Subjects discussed include Social Security, pensions, credit, insurance, estate planning, education, and employment.

What You Should Know About the Pension Law
(1985, 57 pp.)
Office of Pension and Welfare Benefit Programs
U.S. Department of Labor

What You Should Know About the Pension Law explains the minimum standards for pension plans in private industry. It covers how benefits are accrued, how periods are counted for vesting, how a break in service can affect benefits, and when retirees can receive payments. This publication also discusses other retirement arrangements including individual retirement accounts (IRA's), employee stock ownership plans (ESOP), and the 401(K) salary reduction plan.

A Woman's Guide to Social Security
(1986, SSA Pub. No. 05-10127, 15 pp.)
Social Security Administration
U.S. Department of Health and Human Services

Most Americans have Social Security protection. However, certain parts of the system are particularly relevant for women. Information in this guide explains how career interruptions, marriages, widowhood, divorce, and second marriages impact on a woman's Social Security benefits. Other useful guides for men and women are:

- **Your Social Security**
(SSA Pub. No. 05-10035)
- **Your Social Security Rights and Responsibilities: Retirement and Survivors Benefits**
(SSA Pub. No. 05-10077.)

Your Home, Your Choice: A Workbook for Older People and Their Families
(1985, 32 pp.)

Published by the American Association of Retired Persons in cooperation with the Office of Consumer and Business Education
Federal Trade Commission

Some elderly persons consider moving for health or financial reasons. This workbook can help them learn about a variety of living arrangements. Information is provided on ways the elderly can stay in their homes or change to a more supportive housing option. Questions throughout the workbook assist in determining the pertinent facts before a decision is made. Other subjects addressed include home health care, house sharing, congregate housing, and nursing homes.

Your Medicare Handbook
(1987, Pub. No. HCFA-10050, 65 pp.)
Health Care Financing Administration
U.S. Department of Health and Human Services

Health care is an important economic consideration for families, especially elderly consumers. Medicare, the Federal health insurance program for the elderly, helps pay for hospital care, doctors' services, and some other medical expenses, but does not pay for everything. Elderly persons should be aware of which expenses Medicare does not cover. Your Medicare Handbook provides this and other information about what Medicare is and how it works. Specific topics discussed include who can provide services and supplies under Medicare, how payments are made, how to submit medical insurance claims, and how to obtain other health insurance protection. Related publications include:

- **Medicare for Federal Employees**
(SSA Pub. No. 05-10033)
- **What You Should Know About Medicare**
(SSA Pub. No. HCFA-10043)

Consumer publications that relate to family economics

Name of publication	Available from	Cost	Other sources	Cost
Alice in Debitland	Publication Services, MS138 Board of Governors of the Federal Reserve System (FRS) Washington, DC 20551 202-452-3245	Free ¹	Consumer Information Center (CIC) ² (449R)	\$0.50
The Arithmetic of Interest Rates	Federal Reserve Bank of New York (FRNY) Publication Information Dept. 33 Liberty St., 13th floor New York, NY 10045 212-720-6134	Free		
Buying and Borrowing: Cash in on the Facts	CIC (425R)	\$0.50		
Buying a Home?	U.S. Department of Housing and Urban Development (HUD) 451 7th St., SW., Rm. 8141 Washington, DC 20410 202-755-6380	Free		
Buying Lots from Developers	CIC (128R)	\$2.50	U.S. Government Printing Office (GPO) ² S/N-023-000-0694-4	\$2.50
Buying Treasury Securities at Federal Reserve Banks	Federal Reserve Bank of Richmond (FRR) Public Services Department P.O. Box 27622 Richmond, VA 23261 804-697-8000	\$2.00		
A Consumer Guide to Vehicle Leasing	CIC (432R)	\$0.50		
Consumer Handbook on Adjustable Rate Mortgages	FRS	Free	CIC (448R)	\$0.50
Consumer Handbook to Credit Protection Laws	FRS	Free		
Consumer's Guide to Life Insurance	CIC (592R)	Free		
A Consumer's Resource Handbook	CIC (560R)	Free		
Cost of Owning and Operating Automobiles and Vans	CIC (433R)	\$.50		
Estimating Your Social Security Retirement Check; How You Earn Social Security Credits; Thinking About Retiring: How Work Affects Your Social Security Checks	U.S. Dept. of Health & Human Services (HHS), Social Security Administration (SSA), Office of Information, 4-J-10 W. High Rise 6401 Security Blvd. Baltimore, MD 21235 301-594-2394 (or any SSA regional office)	Free		

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See footnotes at end of table, p. 24.

Name of publication	Available from	Cost	Other sources	Cost
Facts for Consumers	Federal Trade Commission (FTC) Bureau of Consumer Protection Publications Business Office 6th St. & Pennsylvania Ave., NW. Washington, DC 20580 202-326-3650	Free ¹		
Farmer's Tax Guide	U.S. Dept. of the Treasury Internal Revenue Service (IRS) 1-800-424-1040 (or any regional office)	Free		
Federal Income Tax Guide for Older Americans	U.S. House of Representatives Select Committee on Aging (HSCA) 712 Annex No. 1 Washington, DC 20515 202-226-3375	Free		
Guide of Free Tax Services	IRS	Free		
Guide to Health Insurance for People With Medicare	HHS, Health Care Financing Administration (HCFA) Office of Public Affairs 6325 Security Blvd. Baltimore, MD 21207 301-597-0977	Free	CIC (528R) ²	Free
A Guide to Planning Your Retirement Finances	HSCA	Free	GPO S/N-052-070- 05784-4 ²	\$4.25
Helping Older Americans to Avoid Overpayment of Income Taxes	U.S. Congress, Senate Special Committee on Aging Senate Dirksen Bldg., Rm. FD-G41 Washington, DC 20510-6400 202-224-5364	Free		
How to Buy a Manufactured Home	CIC (418R)	\$0.50		
How to Buy a Personal Computer	CIC (421R)	\$0.50		
How to Buy a Telephone	CIC (569R)	Free		
How to Write a Wrong	CIC (441R)	\$0.50		
If you Become Disabled; Social Security for the Young Worker; Disability Benefits	HHS	Free		
In the Bank or Up the Chimney	HUD	Free	GPO S/N-023-000- 00411-9	\$3.00
Investigate Before You Invest	U.S. Securities & Exchange Comm. Public Reference Room 450 5th St., NW. Washington, DC 20549 202-272-7467	Free		

Continued

See footnotes at end of table, p. 24.

Name of publication	Available from	Cost	Other sources	Cost
Kids--They're Worth Every Penny	CIC (505R)	Free ¹		
Making Food Dollars Count	CIC (410R)	\$0.50		
Managing Your Personal Finances	CIC (195R)	\$6.00	GPO S/N-001-000-04484-2 ²	\$6.00
Medicare and Prepayment Plans; Medicare and Employer Health Plans	HCFA	Free		
Mortgage Money Guide	FTC, Division of Credit Practices, Publications 6th & Pennsylvania Ave., NW. Washington, DC 20580 202-326-2222	Free	CIC (129R) ²	\$1.00
Money Matters	CIC (571R)	Free		
Preparing for Widowhood	HSCA	Free		
Retirement & Survivors Benefits	SSA	Free		
The Rule of 78's	Federal Reserve Bank of Philadelphia Dept. of Consumer Affairs P.O. Box 66 Philadelphia, PA 19105 215-574-6115	Free		
The Savings Bonds Question and Answer Book	U.S. Dept. of the Treasury Savings Bonds Division Office of Public Affairs Washington, DC 20226 202-634-5377	Free	CIC (451R)	\$0.50
The Story of....	FRNY	Free		
The Student Guide	U.S. Department of Education Public Affairs 400 Maryland Ave., SW. Washington, DC 20202 202-245-3192	Free	CIC (503R)	Free
Tax Information for Older Americans	IRS	Free		
Tips for an Energy Efficient Apartment	U.S. Department of Energy Technical Information Center P.O. Box 62 Oakridge, TN 37831 615-576-1301	Free	CIC (133R)	\$1.00
To the Home-Buying Veteran; VA-Guaranteed Home Loans; Pointers for the Veteran Homeowner	Veterans Administration 810 Vermont Ave., NW. Washington, DC 20420 202-233-5210 (or any regional office)	Free		

Continued

See footnotes at end of table, p. 24.

Name of publication	Available from	Cost	Other sources	Cost
Understanding Opportunities and Risks in Futures Trading	Commodity Futures Trading Comm. Office of Communications and Education Services 2033 K St., NW. Washington, DC 20581 202-254-8630	Free ¹	CIC (443R) ²	\$0.50
What Every Investor Should Know	SEC	Free	CIC (141R)	\$1.25
What Everyone Should Know About HMOs	HCFA	Free		
What You Should Know About the Pension Law	U.S. Department of Labor Office of Pensions, Rm. N-5666 200 Constitution Ave., NW. Washington, DC 20210 202-523-8921	Free		
Wishes and Rainbows; The Road to Roota	Federal Reserve Bank of Boston Public Information Center Boston, MA 02106 617-973-3459	Free		
A Woman's Guide to Social Security; Your Social Security	SSA	Free	CIC (512R) CIC (513R)	Free Free
Your Federal Income Tax; Highlights of 1986 Tax Changes; Is My Withholding Correct?	IRS	Free		
Your Food Dollar in Perspective	FRR	Free		
Your Keys to Energy Efficiency	CIC (585R)	Free		
Your Home, Your Choice	CIC (568R)	Free		
Your Insured Deposit; Truth in Lending; Fair Credit Billing; Fair Credit Reporting Act; Equal Credit Opportunity and Age	Federal Deposit Insurance Corp. Corporate Communication Office 550 17th St., NW. Washington, DC 20429 202-898-6996	Free		
Your Medicare Handbook; Medicare for Federal Employees; What You Should Know About Medicare	HCFA	Free		
Your Money's Worth in Foods	CIC (117R)	\$2.25	GPO S/N-001-000-04431-1 ²	\$2.25

¹ "Free" refers to single copies.

² The mailing addresses for the Consumer Information Center (CIC) and the Government Printing Office (GPO) are as follows:

Consumer Information Center-A	Superintendent of Documents
P.O. Box 100	U.S. Government Printing Office
Pueblo, CO 81002	Washington, DC 20402
303-948-3334	202-783-3238

New Publications

Single copies of the following are available from the Federal Trade Commission, Public Reference Branch, Room 130, 6th St. and Pennsylvania Ave., NW., Washington, DC 20580:

- **Fix Your Own Credit Problems and Save Money.** April 1987. (Pamphlet). Free.
- **Women and Credit Histories.** March 1987. 1-page pamphlet. Free.

The following is available free from the Consumer Information Center. Write to Department 592R, Consumer Information Center, Pueblo, CO 81009:

- **A Consumer's Guide to Life Insurance.** May 1987. (For more information, see "Federal Consumer and Educational Publications Relating to Family Economics," p. 17 of this issue.)

* * * * *

- **Residential Transportation Energy Consumption Survey: Consumption Patterns of Household Vehicles 1985**
Energy Information Administration
U.S. Department of Energy

In 1985, 89% of U.S. households utilized vehicles regularly for personal transportation. The Residential Transportation Energy Consumption Survey (RTECS) was designed to provide information on how energy is used by households for personal vehicles. This report presents data collected in the 1985 RTECS on the annual miles traveled in personal vehicles, the gallons of fuel consumed, types of fuel used, prices paid for fuel, and the miles-per-gallon rates of personal vehicles. Consumption Patterns of Household Vehicles 1985 is available for \$8.50 from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. Ask for SN061-003-00521-7.

Agricultural Outlook '88 — Preliminary Program Highlights

The Agricultural Outlook Conference will be held from December 1 to December 3, 1987, in Washington, DC. To obtain additional information about this free Conference or to register in advance, write: Outlook Conference, Room 5143 South Building, USDA, Washington, DC 20250, or call 202-447-6050. To obtain Conference materials and identification badge, participants are directed to the 5th wing bay, 1st floor, in the South Building, 14th Street and Independence Avenue, SW., Washington, DC.

Beginning Tuesday afternoon, December 1, and continuing throughout the Conference, coordinators from four information centers of the National Agricultural Library (NAL) will be available in the Library's D.C. Reference Center to answer questions and to access NAL's database, AGRICOLA, on compact disk. Individual searches will be done, on request, as time permits. A selection of the latest available resource materials from the Agricultural Trade and Marketing, Family, Food and Nutrition, and Food Irradiation Information Centers will be on display. The Pork Industry Handbook on laser disk, which illustrates a full text database, will also be demonstrated. The Reference Center is located in Room 1052 South Building, between the 4th and 5th wings.

On Wednesday, December 2, two of the sessions will be of particular interest to consumers and professionals working with families: The Outlook for Families will focus on the continuing Consumer Expenditure Survey, a major data source for professionals working in the area of family economics. The session will be moderated by Waldemar Klassen, Beltsville Area Director, Agricultural Research Service. Two of the speakers will be Thesia Garner, Bureau of Labor Statistics, and Jane Kolodinsky, University of Vermont. The Nutrition session will feature "Linking Production With Nutritional Concerns," with Orville G. Bentley, Assistant Secretary for Science and Education, as moderator. Speakers include Jane Anderson (California Beef Council), Barbara Luke (National Academy of Sciences), and David H. Hurt (Quaker Oats Company).

Work Schedules of Americans

A special supplement to the Current Population Survey (CPS) was conducted in May 1985 for the Bureau of Labor Statistics by the Bureau of the Census. Whereas the CPS, a monthly survey of approximately 59,500 households, provides the basic labor force and unemployment data for the Nation, the May 1985 supplement was designed to yield current information on work schedules and other topics concerning labor force behavior and work patterns of Americans. Also, new information on work-schedule topics not previously studied at the national level was collected. Some of the findings from this special survey are presented in the following three abstracts.

Multiple Jobholders¹

In May 1985 multiple jobholders² (moonlighters) totaled 5.7 million, 5.4% of all employed workers. This was up from 4.9% in 1980 and was the highest level in more than 20 years. Although men are still more likely than women to be working at two jobs or more, there has been a long-term trend in the increasing number of women among moonlighters. Between 1980 and 1985, the number of women holding multiple jobs rose by 41.5% to 2.2 million. In 1985 the moonlighting

¹These data were previously collected each May in a supplement to the CPS, but annual supplements were discontinued after 1980.

²Multiple jobholders are employed persons who either (1) had jobs as wage or salary workers with two employers or more, (2) were self-employed and also had a wage and salary job, or (3) were unpaid family workers on their primary job but also held wage and salary jobs. The primary job is the one at which the greatest number of hours are worked.

rate for men exceeded that for women by only 1 percentage point, 5.9% compared with 4.7%, and women made up 38% of all multiple jobholders. Significant differences still exist, however, in the types of jobs held by men and women who moonlight. In 1985 about 40% of the women were working at multiple part-time jobs, but more than 80% of the men were working full time at their primary job and part time at a secondary job.

Married men were more likely to moonlight than either single men or those who were widowed, divorced, or separated. Married women, however, were somewhat less likely to work at more than one job than were those without a spouse. Singles of either sex were more likely than other groups to moonlight in order to accumulate savings for the future (see table). Current financial considerations were more prevalent reasons for moonlighting among widowed, divorced, and separated workers. More than two-thirds of the women and almost one-half of the men in that category cited either the need to meet regular expenses or to pay off debts as their reason for working at more than one job.

Persons with primary jobs in the entertainment and recreation services, professional services (especially educational services), and public administration were most likely to moonlight. Men who were employed as teachers (at and below college level), as health technologists or health technicians, or as protective service workers, most frequently held second jobs. Highest rates of multiple jobholding occurred among women who were public officials and administrators, teachers (at all levels), engineering and science technicians, or were in health diagnosing occupations.

Multiple jobholders usually averaged about 14 hours per week on their secondary jobs and 51 hours per week at all jobs combined. The average for men, 55 hours per week, exceeds the women's average by 10 hours.

Source: Stinson, John F., Jr., 1986, Moonlighting by women jumped to record highs, Monthly Labor Review 109(11):22-25, U.S. Department of Labor, Bureau of Labor Statistics.

Multiple jobholders, by sex, marital status, and race; the reason for working at more than one job, May 1985
 [Numbers in thousands]

Characteristics	Total employed persons	Total multiple jobholders		Reason for moonlighting (percent distribution)					
		Number	Percent	Total	To meet regular household expenses	To pay off debts	To save for the future	To get experience or build up a business	Other reason
Total, 16 years and over...	106,878	5,730	5.4	100.0	31.6	9.3	13.0	17.0	29.2
Men, 16 years and over ..	60,015	3,537	5.9	100.0	30.3	9.0	12.9	18.1	29.7
Single.....	14,768	767	5.2	100.0	20.7	10.4	21.5	19.5	27.9
Married, spouse present	39,444	2,447	6.2	100.0	33.4	7.6	11.0	18.0	30.1
Widowed, divorced, or separated	5,803	323	5.6	100.0	29.2	17.0	7.2	15.4	31.1
White	53,222	3,291	6.2	100.0	29.4	9.1	12.8	18.4	30.3
Black	5,240	187	3.6	100.0	45.6	10.6	12.8	11.1	20.0
Women, 16 years and over	46,864	2,192	4.7	100.0	33.7	9.7	13.1	15.3	28.2
Single.....	11,399	681	6.0	100.0	28.5	8.7	22.1	14.1	26.6
Married, spouse present	25,999	1,001	3.8	100.0	27.2	7.8	10.6	20.1	34.2
Widowed, divorced, or separated	9,465	510	5.4	100.0	53.5	14.8	6.0	7.0	18.8
White	40,333	1,995	4.9	100.0	33.3	8.9	12.9	15.7	29.2
Black	5,176	151	2.9	100.0	40.1	19.7	16.3	5.4	18.4

Source: Stinson, John F., Jr., 1986, Moonlighting by women jumped to record highs, Monthly Labor Review 109(11):22-25, U.S. Department of Labor, Bureau of Labor Statistics.

Shift Work and Flexitime¹

Although the needs of society require a diversity of work schedules, the great majority of full-time wage and salary workers have traditional, morning to late afternoon hours. In contrast, almost one-half of all part-time employees work schedules other than regular day shifts, and nearly one-fifth have some type of flexible scheduling.

Nearly 8 of 10 full-time wage and salary workers began their workdays between 7 and 9 a.m., with 8 a.m. being the most common time.² Corresponding quitting times between 4 and 6 p.m. were the most frequent, with most workers ending their workday at 5 p.m. Traditional daytime shifts--8 to 5, 7 to 4, 8 to 4, and 9 to 5--were the most popular. Only one of the top 10 work schedules (the 10th-ranked 3-to-11 shift) included a substantial number of hours outside the normal daylight span.

Part-time jobs were far less concentrated in terms of hours worked. Although the top 10 schedules were reported by 71% of all full-time workers, they fit the pattern for only 29% of the part-time workers. Of the part-time workers, 45% reported starting work between 7 and 9 a.m. and 38% ended their days between 3 and 5 p.m. As was the case for full-time workers, the most common workday reported by part-timers was 8 to 5 p.m., but this accounted for only 4% of the part-time schedules.

The incidence of shift work³ and flexitime varies by sex, race, age, and other characteristics, but differences are more apparent by occupation and industry. Shift work is a great advantage to employers who need to match production with demand, accommodate

certain production processes, or reduce the cost of capital per employee. Protective service workers were most likely to work shifts (61%), followed by workers in food (43%) and health services (36%). Other occupational groups traditionally associated with shift work--the operators, fabricators, and laborers group, and salesworkers in retail trade and personal services--had about one in four workers on shifts. For most occupations, the evening shift was the most frequent deviation from the regular daytime schedule. However, health professionals, workers in sales occupations, protective service workers, and motor vehicle operators reported having rotating shifts more frequently than evening shifts.

Of those persons who reported a reason for not working a regular daytime schedule, 28% cited voluntary reasons, including better arrangements for child care and care of other family members, better pay, and time to attend school. Most of those who gave "involuntary" reasons cited the schedule as a requirement of the job.

Part-time workers are three times more likely than full-time workers to work other than a regular daytime schedule. Employers often hire part-time help to cover peak hours in retail sales, entertainment, or recreation jobs. Students frequently are able to work only evenings or weekends. Four-fifths of the 16- to 19-year-old group were shift workers.

With flexitime, or flexible scheduling, employees can vary the times their workdays begin and end or the number of hours in a workday, week, or pay period. Usually there is a core time requirement, either certain hours per day or days of the week, when employees are required to work. Advantages of flexitime include decreased tardiness, added hours of service to the public, smoothing rush hour traffic peaks, facilitating child care, larger blocks of employee leisure time, and a better scheduling of the work force to coincide with work load.

About 9.1 million full-time wage and salary workers (12.3%) reported they were able to vary their work schedules. Part-time workers

¹These data were previously collected each May in a supplement to the CPS, but annual supplements were discontinued after 1980.

²The times actually reported are rounded to the nearest hour. For example, 8 a.m. refers to any reported time between 7:30 and 8:29 a.m.

³The term, "shift work," is used here to describe only those schedules other than a "regular daytime schedule."

were more likely than full-time workers to have flexibility in planning their work schedules, with 3.3 million (18.6%) being able to do so.

Among full-time workers, teenagers were the least likely to have flexible schedules, and persons 35 to 44 years old and 65 and over were the most likely to have flexible schedules. Men more than women, whites more than blacks or Hispanics, and employees on regular daytime shifts were those most likely to have flexibility in their workday. Among occupational groups, the likelihood of flexible scheduling was highest among mathematical and computer scientists, natural scientists, technicians (except health, engineering, and science), and sales representatives (commodities, except retail).

Source: Mellor, Earl F., 1986, Shift work and flexitime: How prevalent are they? Monthly Labor Review 109(11):14-21, U.S. Department of Labor, Bureau of Labor Statistics.

Work at Home ¹

More than 18 million persons reported some type of work at home² in May 1985. About 770,000 of these persons were farmers or farm laborers. Of those who worked at a nonfarm job and reported hours worked, almost half worked at home less than 8 hours during the survey week.

About 9.6 million (55%) of the 17.3 million nonfarm persons who worked at home were men. However, women averaged more hours per week in work at home (11.1 hours, compared with 9.3 hours for men), and a larger percentage of women than men worked 35 or more hours per week at home (8% and 4%, respectively).

The home-based work force differs from the overall labor force by age and race.

¹ Data on work at home were collected for the first time in the May 1985 CPS.

² Persons working at home on a second job or business were not counted as home-based workers. "Work-at-home" pertains only to work done as part, or as an extension of the primary job.

Nearly one in five of all nonfarm home-based workers working 35 or more hours per week were over 55 years of age--a group that accounts for only one in eight of all employed workers. Also, home-based workers had a slightly higher percentage of white workers than is found in the labor force as a whole.

The largest industry group of home-based workers who work 8 hours or more is in services (4.1 million workers) and includes professional (educational, health, and social services such as child care), business and repair, and personal services. A relationship exists between hours worked at home and involvement in the service industry. More than one-half of the men and two-thirds of the women with long hours of nonfarm, home-based work were in the service industries. Business and repair services accounted for 97,000 of the 606,000 persons working full-time weeks at home. These services include business management and consulting, computer, and data processing services. Social services (including child care) accounted for 110,000 of the full-time, home-based workers. Other professional services (legal, architectural, religious organizations, and others) had 92,000 home-based workers.

The majority of persons in service industries with 8 or more hours of home-based work per week were private wage and salary workers, who may just be bringing work home on a regular basis. Among those who worked 35 or more hours per week at home, however, almost 70% were self-employed in home-based, unincorporated businesses. Fewer than 10% of all full-time, home-based workers were self-employed but were incorporated.

A growing number of clerical workers may be establishing their own businesses at home. These workers and those in financial records processing and bookkeeping are being aided by the decreasing costs of personal computers and other electronic equipment.

Home-based work offers a chance for parents of young children to combine child rearing with gainful employment, and working

at home also eliminates commuting and child care expenses. Nearly 600,000 married mothers with children under age 6 reported some home-based work. About 22% of these mothers worked 35 or more hours per week at home, comprising 29% of all nonfarm women who worked at home full time.

In 1985, 2.2 million persons worked exclusively at home. Of these, 390,000 were working in farm occupations; and of the remaining 1.9 million persons, two in three were women. Men who worked solely at home averaged 41.1 hours of work per week, compared with 27.7 hours for women. About half of the persons whose work was entirely home based were in service industries, including professional, business and repair, and personal services. Only about 100,000 persons with home-based work in professional specialty occupations, including computer programming, worked entirely at home.

During the forties, the U.S. Department of Labor (USDL) imposed restrictions on home-work in seven industries: Women's apparel, jewelry, gloves and mittens, knitted outerwear,³ buttons and buckles, handkerchiefs, and embroidery. Data collected in May 1985 do not allow an accurate determination of the number of persons whose home-based work is in these restricted industries, but it is estimated that less than 125,000 persons work 8 hours or more at home in these industries.

³ Homework in the knitted outerwear industry has been permitted since December 1984 provided the employer obtain a certificate from USDL. Homework in the other six industries is under consideration. See "Recent Trends in Clothing and Textiles," by Joan C. Courtless, Family Economics Review 87(1):7.

Source: Horvath, Francis W., 1986, Work at home: New findings from the Current Population Survey, Monthly Labor Review 109:(11)31-35, U.S. Department of Labor, Bureau of Labor Statistics.

Housing Costs After Tax Reform

The new tax law that took effect in January 1987 should bring about some modifications in Americans' expenditure patterns. For example, the real costs of major purchases, such as housing, will change. Both the cost of renting and the after-tax cost of owner-occupied housing will rise. Households will need to consider these changes when deciding (1) whether to rent or buy and (2) how much housing to rent or buy.

Effects on Renters

As soon as market conditions allow, owners of rental property will have to charge higher rents to compensate for several provisions of the new tax law that would otherwise reduce their after-tax return. The after-tax return to a landlord will be reduced by the following three major changes in the tax law:

- **Lengthening of depreciation schedules.**

Under the old law, rental property was depreciated over 19 years; under the new law the period is 27-1/2 years. Also, yearly depreciation will be constant over the period rather than concentrated in the beginning of a property's depreciable life. Since these changes will allow landlords to claim less depreciation in the early years of their rental investment, their total after-tax return will be lower.

- **Reduction in marginal income tax rates.**

When it becomes fully effective in 1988, the 14 tax brackets under the old law will be replaced by three new brackets--15%, 28%, and 33%. The value of an investment as a tax write-off depends on the taxpayer's marginal rate, the highest tax bracket in which he pays taxes. When an investment generates a negative return for tax purposes, lower tax rates reduce the value of that investment as a tax write-off. For a taxpayer who was previously in the 42% tax bracket, every dollar subtracted from his taxable income was worth 42 cents in tax savings. Under the new tax law if the taxpayer is in the 28% tax bracket, every dollar subtracted is worth only 28 cents in tax savings.

- **Increase in capital gains taxes.** In periods of rising property values, much of the return of rental housing is in the form

of capital gains. Under the old tax law, only 40% of long-term capital gains were included in taxable income. At the highest tax bracket, this resulted in a maximum tax rate on total capital gains of 20%. Under the new tax law the partial exclusion of capital gains has been eliminated. Capital gains income will be taxed at the same rate as all other income. Therefore, for some taxpayers the capital gains tax rate will be as much as 33%.

It is estimated that landlords will have to raise rents between 16% and 27% in order to achieve the same after-tax rate of return under the new tax law. However, these rent increases will not occur overnight. Before landlords will be able to impose rent increases, construction of rental units will have to slow and vacancy rates will have to fall.

Effects on Homeowners

The major homeowner tax deductions--mortgage interest and property taxes--will be retained under the new tax law. However, other changes will result in higher after-tax housing costs for homeowners.

Since all taxpayers can claim the standard deduction, only the itemized deductions over and above the level of the standard deduction result in a decrease in taxes. Under the new tax law the standard deduction for a married couple filing jointly will increase from \$3,670 in 1986 to \$5,000 in 1988.

Because a number of nonhousing deductions have been eliminated, homeowners will have to use some of their housing deductions to bring their itemized deductions up to the higher level of the standard deduction. Therefore, that used portion of their housing deduction will not help in decreasing their total tax bill.

Homeowner costs will also increase because lower marginal tax rates will lower the value of housing deductions. Homeowners are affected by lower tax rates just as landlords are. Tax savings from housing deductions will drop for those who fall into a lower tax bracket under the new law.

Interest rates are a key factor in determining the cost of owner-occupied housing, because lower interest rates result in lower monthly mortgage payments. Some forecasters suggest that the new tax law will lead to a decline in long-term interest rates; this could help offset the increases in the costs

of homeownership brought about by the new tax law.

Many families question whether to rent or buy housing. The answer depends on the family's after-tax rate of return on owner-occupied housing compared to the next best investment opportunity. For example, at a 5% inflation rate, a four-person family earning \$40,000 or more a year (in 1988 dollars) and intending to live in the home for at least 10 years, would realize a tax savings in buying their home. However, a family with less income, or one who plans to move before 10 years have passed, should fare better by renting their home and investing in long-term Treasury securities or tax-exempt municipals as an alternative.

The cost of housing will rise for everyone under the new tax law. Because changes in the tax law will adversely affect landlords more than homeowners, the homeownership rate should rise as a result of tax reform. The new tax law makes homeownership preferable for more families than the old law, but the longer homeowners intend to stay in their home, the more advantageous the new law becomes.

Source: Crone, Theodore, 1987, Housing costs after tax reform, Business Review, March/April issue, pp. 3-12, Federal Reserve Bank of Philadelphia.

The Effect of Interest Rate Ceilings on Credit Card Loans

In 1983, 62% of American families charged purchases on some type of credit card. More than half of all families reported using retail store cards; 40% reported using at least one bank card, and 26% at least one gasoline card. Credit card use rises with family income and the educational level of the family head. Retail store cards are used more widely than bank cards except among families with incomes of at least \$50,000 or those headed by persons with a college education. Recently, however, use of bank cards has been expanding rapidly in every family category of income, age, education, and occupation.

The payment pattern of the credit card holder determines whether interest is charged to the account. Convenience users pay off the balance in full before the grace period ends; borrowers usually do not and thereby incur finance charges. About one-half of the families who use credit cards do so for convenience. The others are about evenly divided between those who sometimes pay their bills in full and those who rarely pay the outstanding balance in any one month.

Since the early eighties, interest rates on consumer loans have fallen substantially but rates on credit cards have changed little. As a result, in 1986 several bills were considered in Congress that would have imposed a national ceiling on credit card interest rates. The possible responses by banks and retailers to such ceilings and the subsequent effects on borrowers and other purchasers are described here.

Before 1984, profits made from bank credit plans were relatively low compared to profits made by other types of bank loans. High profits earned by bank cards in 1984 and 1985 cannot be expected to continue, since they were the result of favorable economic trends and structural changes in credit card regulations made during that time.

Even though annual data on earnings of retail credit card plans are not available, the results of two national surveys of retailers indicate that, on average, their credit card plans consistently operated at a loss. Because profits on credit card plans have been low for banks and negative for retailers, it is unlikely that card issuers could absorb significant reductions in revenue from lower finance charges. Therefore, some changes to offset their losses would be necessary.

Studies suggest that lenders are more lenient in extending credit when a higher interest rate is allowed. If credit card interest rates were lowered, lenders could reduce collection costs by tightening credit standards. Given the criteria that issuers use for determining creditworthiness, increased restriction would affect new credit card applicants with low levels of income,

education, and skills; applicants that are recent entrants into the job market; and those families headed by young persons.

Another cost-cutting option open to lenders would curtail special features, such as programs that protect against charges made on lost or stolen cards, discounts on transportation and lodging, rebates on purchases billed to credit card accounts, and emergency cash loans. Also, banks and retailers might establish or increase fees for processing credit card applications, replacing lost cards, providing additional cards for an account, and issuing monthly statements. If profit loss became severe, some issuers might even eliminate their credit card plans altogether and redirect resources into more profitable areas.

An alternative or complementary way for lenders to offset reduced income would be by repricing credit card services. Also, the grace period (before finance charges are added) could be shortened or eliminated. Consumers who make full payment to avoid incurring finance charges would be most adversely affected by such cutbacks. Bank lenders could also increase the merchant discount--the fee they charge merchants for processing credit card sales. This increase, in turn, could cause retailers to raise their merchandise prices. Price increases would affect all consumers, including those who always pay in cash. Adjustments in pricing and credit availability, however, would be subject to important constraints, including competition from other credit card issuers and State regulations that limit pricing changes.

Source: Canner, Glenn B., and James T. Fergus, 1987, The economic effects of proposed ceilings on credit card interest rates, Federal Reserve Bulletin 73(1):1-13, Board of Governors of the Federal Reserve System.

Cost of Food at Home

Cost of food at home estimated for food plans at 4 cost levels, July 1987, U.S. average ¹

Sex-age group	Cost for 1 week				Cost for 1 month			
	Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan	Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan
FAMILIES								
Family of 2: ²								
20-50 years	\$39.90	\$50.50	\$62.50	\$77.60	\$173.40	\$218.60	\$270.50	\$335.70
51 years and over.....	38.10	48.40	59.80	71.70	164.70	210.00	259.30	310.60
Family of 4:								
Couple, 20-50 years and children--								
1-2 and 3-5 years	58.10	72.50	88.80	109.10	252.10	314.10	384.60	472.30
6-8 and 9-11 years	66.70	85.30	107.00	128.80	289.20	369.40	463.30	558.10
INDIVIDUALS ³								
Child:								
1-2 years	10.50	12.70	14.80	17.90	45.40	55.00	64.10	77.40
3-5 years	11.30	13.90	17.20	20.70	49.10	60.40	74.60	89.70
6-8 years	13.90	18.40	23.20	27.00	60.20	79.90	100.30	117.10
9-11 years	16.50	21.00	27.00	31.30	71.40	90.80	117.10	135.80
Male:								
12-14 years	17.20	23.80	29.80	34.90	74.50	103.10	128.90	151.40
15-19 years	17.90	24.70	30.70	35.50	77.50	106.90	132.80	154.00
20-50 years	19.10	24.40	30.70	37.10	82.90	105.70	132.90	160.50
51 years and over.....	17.50	23.20	28.60	34.40	75.60	100.70	124.00	148.80
Female:								
12-19 years	17.20	20.60	25.00	30.30	74.50	89.10	108.30	131.10
20-50 years	17.20	21.50	26.10	33.40	74.70	93.00	113.00	144.70
51 years and over	17.10	20.80	25.80	30.80	74.10	90.20	111.70	133.60

¹ Assumes that food for all meals and snacks is purchased at the store and prepared at home. Estimates for the thrifty food plan were computed from quantities of foods published in *Family Economics Review*, 1984(1). Estimates for the other plans were computed from quantities of foods published in *Family Economics Review*, 1983(2). The costs of the food plans are estimated by updating prices paid by households surveyed in 1977-78 in USDA's Nationwide Food Consumption Survey. USDA updates these survey prices using information from the Bureau of Labor Statistics, CPI Detailed Report, table 3, to estimate the costs for the food plans.

² 10 percent added for family size adjustment. See footnote 3.

³ The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1-person--add 20 percent; 2-person--add 10 percent; 3-person--add 5 percent; 5- or 6-person--subtract 5 percent; 7- or more-person--subtract 10 percent.

Heterogeneity Among Persons 65 Years and Older¹

Illuminating data concerning the growing elderly population are available from the 1984 Consumer Expenditure Survey (CES). New estimates provide for the reporting of two separate classes of consumer units² with reference persons³ 65 to 74 years and 75 years and older. Although persons 65 years and older have been viewed as a homogeneous group, the CES reveals that the 65-to-74 and the 75-and-over age groups have different characteristics, incomes, and expenditures (table).

Expenditure differences. In 1984 major differences between the two groups occurred in expenditures for housing, transportation, and health care. Although housing demanded a larger share of the older group's total annual expenditures, consumer units in the 65-to-74 age group spent 22% more on housing than those in the 75-and-over age group. Persons age 65 to 74 have a higher level of home ownership and are more likely to be making mortgage payments than the older group (33%, compared with 8%). The 65-to-74 age group also spent 33% more on property taxes than the older group, reflecting the higher rate of home ownership among the younger group. Higher tax expenditures also suggest that those age 65 to 74 own more expensive houses, or live in areas with higher

¹ Findings from the Consumer Expenditure Survey: Interview Survey, 1984, U.S. Department of Labor, Bureau of Labor Statistics. For additional information on this survey and its two component parts, see "Spending Patterns of U.S. Households," Family Economics Review 1987(1):26-28.

² The basic reporting unit for the CES is the consumer unit that refers to a single person or group of persons in a sample household related by blood, marriage, adoption, or other legal arrangement, or who share responsibility for at least 2 of 3 major types of expenses--food, housing, and other expenses.

³ The reference person or householder is the first person named by the respondent as owning or renting the home.

property taxes, or both. The expenditure share for fuels, utilities, and public services was higher for the 75-and-over age group, even though the amount spent was 25% less than that spent by those age 65 to 74.

Transportation accounted for a greater share of total expenditures for those 65 to 74 years of age than for those 75 years and older. Also, the younger group spent twice as much on transportation as the older consumers. These differences can be attributed to the higher level of vehicle ownership among the younger class (81%) compared with the older class (59%). Moreover, it is likely that vehicles are used less frequently by the older group, which further reduces their transportation expenditures.

Both mean expenditures for health care and the health care share of total expenditures were higher for the 75-and-over age group than for their younger counterparts.

Income differences. Since income is one of the important determinants of spending, differences in income may help to explain the variations in expenditure patterns. In 1984 mean income before taxes for the 65-to-74 age group was more than one-third higher than that for the older consumer units. The largest component of income for both groups was retirement income (Social Security, and private and government pensions), accounting for 53% and 63% of the younger and older groups' income. Wages and salaries constituted about 30% of the younger group's income but less than 10% of the older group's, which indicates household members in consumer units with younger reference persons are more likely to be working. Average number of earners in the consumer unit was three times higher for the younger group.

Source: Harrison, Beth, 1986, Spending patterns of older persons revealed in expenditure survey, Monthly Labor Review 109(10):15-17, U.S. Department of Labor, Bureau of Labor Statistics.

Characteristics and annual expenditures of consumer units with elderly reference persons¹ and of all consumer units²

Item	Age of reference person		All consumer units	Age of reference person	
	65-74 years	75 years and over		65-74 years	75 years and over
Total consumer units (thousands)...	74,884	8,312	5,608		
Consumer unit characteristics:					
Income before taxes ³	\$24,578	\$16,815	\$12,442		
Average number of persons.....	2.6	1.9	1.5		
Average age of reference person .	46.2	69.3	80.6		
Average number in consumer unit:					
Earners	1.4	.6	.2		
Vehicles.....	1.9	1.4	.8		
Children under 18.....	.7	.1	.0		
Persons 65 and over.....	.3	1.4	1.4		
Percent homeowners	60.0	76.0	67.0		
Average annual expenditures	\$21,788	\$15,873	\$11,196		
Food	3,391	2,831	1,912		
Alcoholic beverages	299	179	90		
Housing	6,626	4,848	3,972		
Shelter	3,747	2,386	2,014		
Owned dwellings.....	2,188	1,378	1,009		
Rented dwellings	1,171	632	884		
Other lodging	388	377	122		
Utilities, fuels, and public services.....	1,679	1,644	1,311		
Household operations	333	269	356		
Housefurnishings and equipment	868	549	291		
Apparel and services	1,192	715	346		
Transportation	4,385	3,041	1,450		
Vehicles.....	1,873	1,175	385		
Gasoline and motor oil.....	1,047	764	354		
Transportation--cont:					
Other vehicle expenses	\$1,176	\$800	\$473		
Public transportation	288	302	238		
Health care	899	1,340	1,487		
Entertainment	1,040	604	291		
Personal care.....	205	211	148		
Reading	140	130	93		
Education	312	88	101		
Tobacco.....	225	173	65		
Miscellaneous	311	172	135		
Cash contributions	740	762	878		
Personal insurance and pensions..	2,023	778	229		
Life and other personal insurance	302	220	86		
Retirement, pensions, Social Security	1,721	558	142		
Shares of total expenditures (percent):					
Total.....	100.0	100.0	100.0		
Food at home.....	10.7	13.0	13.6		
Food away from home.....	4.8	4.8	3.5		
Housing	30.4	30.5	35.5		
Transportation	20.1	19.2	13.0		
Health care.....	4.1	8.4	13.3		
Entertainment and reading.....	5.4	4.6	3.4		
Personal insurance and pensions.	9.3	4.9	2.1		
Apparel and services.....	5.5	4.5	3.1		
Other	9.6	10.1	12.5		

¹The reference person or householder is the first person named by the respondent as owning or renting the home.

²Data from the Consumer Expenditure Survey (CES), Interview Survey, 1984. The basic reporting unit for the CES is the consumer unit that refers to a single person or group of persons in a sample household related by blood, marriage, adoption, or other legal arrangement, or who share responsibility for at least 2 of 3 major types of expenses--food, housing, and other expenses.

³Income values are derived from the responses of only those units providing complete reports of income.

Source: Harrison, Beth, 1986, Spending patterns of older persons revealed in expenditure survey, Monthly Labor Review 109(10):15-17, U.S. Department of Labor, Bureau of Labor Statistics.

Updated Estimates of the Cost of Raising a Child

The cost of raising urban children: June 1987; moderate cost level ¹

Region and age of child (years)	Total	Food at home ²	Food away from home	Clothing	Housing ³	Medical care	Educational	Transportation	All other ⁴
MIDWEST: ⁵									
Under 1	\$4,697	\$616	\$0	\$147	\$2,018	\$343	\$0	\$875	\$698
1	4,837	756	0	147	2,018	343	0	875	698
2-3	4,505	756	0	239	1,773	343	0	762	632
4-5	4,774	868	157	239	1,773	343	0	762	632
6	5,006	840	157	330	1,681	343	161	762	732
7-9	5,202	1,036	157	330	1,681	343	161	762	732
10-11	5,398	1,232	157	330	1,681	343	161	762	732
12	5,755	1,260	189	477	1,742	343	161	818	765
13-15	5,896	1,401	189	477	1,742	343	161	818	765
16-17	6,462	1,569	189	661	1,804	343	161	903	832
Total	95,867	19,633	2,390	6,460	31,790	6,174	1,932	14,448	13,040
NORTHEAST:									
Under 1	4,660	728	0	147	2,048	343	0	762	632
1	4,828	896	0	147	2,048	343	0	762	632
2-3	4,703	868	0	257	1,865	343	0	705	665
4-5	4,972	980	157	257	1,865	343	0	705	665
6	5,367	980	189	349	1,834	343	202	705	765
7-9	5,563	1,176	189	349	1,834	343	202	705	765
10-11	5,816	1,429	189	349	1,834	343	202	705	765
12	6,160	1,429	189	514	1,895	343	202	790	798
13-15	6,328	1,597	189	514	1,895	343	202	790	798
16-17	6,776	1,765	220	642	1,926	343	202	846	832
Total	101,222	22,436	2,644	6,756	33,992	6,174	2,424	13,426	13,370
SOUTH:									
Under 1	5,117	672	0	165	2,170	381	0	931	798
1	5,257	812	0	165	2,170	381	0	931	798
2-3	4,931	784	0	257	1,926	381	0	818	765
4-5	5,172	868	157	257	1,926	381	0	818	765
6	5,513	868	189	349	1,834	381	242	818	832
7-9	5,681	1,036	189	349	1,834	381	242	818	832
10-11	5,905	1,260	189	349	1,834	381	242	818	832
12	6,285	1,260	220	514	1,895	381	242	875	898
13-15	6,454	1,429	220	514	1,895	381	242	875	898
16-17	6,919	1,569	220	661	1,956	381	242	959	931
Total	104,431	19,969	2,768	6,830	34,540	6,858	2,904	15,460	15,102
WEST:									
Under 1	5,043	672	0	147	2,109	419	0	931	765
1	5,211	840	0	147	2,109	419	0	931	765
2-3	4,948	812	0	239	1,895	419	0	818	765
4-5	5,249	924	189	239	1,895	419	0	818	765
6	5,662	896	220	349	1,865	419	202	846	865
7-9	5,858	1,092	220	349	1,865	419	202	846	865
10-11	6,110	1,344	220	349	1,865	419	202	846	865
12	6,435	1,344	220	495	1,926	419	202	931	898
13-15	6,576	1,485	220	495	1,926	419	202	931	898
16-17	7,210	1,681	252	624	2,018	419	202	1,016	998
Total	106,687	21,005	3,082	6,572	34,728	7,542	2,424	15,966	15,368

¹Annual cost of raising a child from birth to age 18, by age, in a husband-wife family with no more than 5 children. For more information on these and additional child cost estimates, see USDA Miscellaneous Publication No. 1411, "USDA Estimates of the Cost of Raising a Child: A Guide to Their Use and Interpretation," by Carolyn S. Edwards, Family Economics Research Group, Agricultural Research Service, USDA.

²Includes home-produced food and school lunches.

³Includes shelter, fuel, utilities, household operations, furnishings, and equipment.

⁴Includes personal care, recreation, reading, and other miscellaneous expenditures.

⁵Formerly the North Central region.

The cost of raising rural nonfarm children: June 1987; moderate-cost level ¹

Region and age of child (years)	Total	Food at home ²	Food away from home	Clothing	Housing ³	Medical care	Educa-tion	Transpor-tation	All other ⁴
MIDWEST: ⁵									
Under 1	\$4,435	\$560	\$0	\$128	\$1,926	\$343	\$0	\$846	\$632
1	4,575	700	0	128	1,926	343	0	846	632
2-3	4,069	672	0	202	1,620	305	0	705	565
4-5	4,307	784	126	202	1,620	305	0	705	565
6	4,674	784	157	312	1,590	305	161	733	632
7-9	4,842	952	157	312	1,590	305	161	733	632
10-11	5,066	1,176	157	312	1,590	305	161	733	632
12	5,443	1,176	157	477	1,651	305	161	818	698
13-15	5,583	1,316	157	477	1,651	305	161	818	698
16-17	5,996	1,457	189	587	1,681	343	161	846	732
Total	89,278	18,202	2,200	6,018	29,838	5,642	1,932	13,874	11,572
NORTHEAST:									
Under 1	5,314	672	0	165	2,170	381	0	1,128	798
1	5,426	784	0	165	2,170	381	0	1,128	798
2-3	4,922	756	0	257	1,865	381	0	931	732
4-5	5,223	868	189	257	1,865	381	0	931	732
6	5,466	840	189	349	1,804	381	202	903	798
7-9	5,634	1,008	189	349	1,804	381	202	903	798
10-11	5,858	1,232	189	349	1,804	381	202	903	798
12	6,284	1,232	220	532	1,865	381	202	987	865
13-15	6,424	1,372	220	532	1,865	381	202	987	865
16-17	6,965	1,541	252	752	1,895	381	202	1,044	898
Total	104,600	19,462	2,896	7,084	33,874	6,858	2,424	17,434	14,568
SOUTH:									
Under 1	5,151	672	0	147	2,170	343	0	987	832
1	5,291	812	0	147	2,170	343	0	987	832
2-3	5,054	784	0	239	1,987	343	0	903	798
4-5	5,355	896	189	239	1,987	343	0	903	798
6	5,774	896	220	349	1,956	343	242	903	865
7-9	5,942	1,064	220	349	1,956	343	242	903	865
10-11	6,194	1,316	220	349	1,956	343	242	903	865
12	6,561	1,316	220	532	2,018	343	242	959	931
13-15	6,730	1,485	220	532	2,018	343	242	959	931
16-17	7,308	1,653	252	697	2,079	343	242	1,044	998
Total	108,615	20,641	3,082	6,866	36,254	6,174	2,904	16,928	15,766
WEST:									
Under 1	5,532	672	0	147	2,201	419	0	1,128	965
1	5,672	812	0	147	2,201	419	0	1,128	965
2-3	5,123	784	0	239	1,895	381	0	959	865
4-5	5,424	896	189	239	1,895	381	0	959	865
6	5,874	868	189	367	1,865	419	242	959	965
7-9	6,070	1,064	189	367	1,865	419	242	959	965
10-11	6,294	1,288	189	367	1,865	419	242	959	965
12	6,721	1,288	220	551	1,926	419	242	1,044	1,031
13-15	6,890	1,457	220	551	1,926	419	242	1,044	1,031
16-17	7,539	1,653	252	642	2,048	419	242	1,185	1,098
Total	111,439	20,445	2,896	6,940	34,972	7,390	2,904	18,392	17,500

¹ Annual cost of raising a child from birth to age 18, by age, in a husband-wife family with no more than 5 children. For more information on these and additional child cost estimates, see USDA Miscellaneous Publication No. 1411, "USDA Estimates of the Cost of Raising a Child: A Guide to Their Use and Interpretation," by Carolyn S. Edwards, Family Economics Research Group, Agricultural Research Service, USDA.

² Includes home-produced food and school lunches.

³ Includes shelter, fuel, utilities, household operations, furnishings, and equipment.

⁴ Includes personal care, recreation, reading, and other miscellaneous expenditures.

⁵ Formerly the North Central region.

Consumer Prices

Consumer Price Index for all urban consumers [1967 = 100, unless otherwise noted]

Group	Unadjusted indexes			
	July 1987	June 1987	May 1987	July 1986
All items	340.8	340.1	338.7	328.0
Food	333.6	334.1	332.5	320.1
Food at home.....	319.1	320.4	318.8	305.5
Food away from home.....	374.9	373.8	372.3	360.8
Housing	372.5	371.3	368.9	361.5
Shelter.....	422.1	420.2	419.2	403.5
Renters' costs ¹	129.3	127.9	127.3	122.5
Rent, residential	291.2	289.6	289.4	281.2
Homeowners' costs ¹	124.4	124.2	124.0	119.4
Maintenance and repairs.....	392.4	385.0	381.9	369.2
Maintenance and repair services	452.8	440.5	435.3	430.1
Maintenance and repair commodities ..	281.9	280.2	279.6	262.7
Fuel and other utilities	388.1	387.6	377.5	389.4
Fuel oil and other household fuel commodities.....	² 497.9	² 498.6	² 497.7	459.4
Gas (piped) and electricity	454.8	456.8	433.3	459.4
Household furnishings and operation.....	255.1	254.9	254.9	250.5
Housefurnishings	203.9	203.6	203.7	201.2
Housekeeping supplies	330.1	330.5	330.1	319.5
Housekeeping services	353.8	353.0	353.1	346.6
Apparel and upkeep	210.5	214.5	218.0	203.2
Apparel commodities	194.0	198.1	201.8	187.0
Men's and boys' apparel	203.0	205.3	207.1	195.8
Women's and girls' apparel	168.3	173.7	179.6	159.8
Infants' and toddlers' apparel	301.2	308.0	316.4	307.5
Footwear	214.3	218.8	220.8	209.1
Apparel services	348.7	347.4	346.8	334.6
Transportation	318.5	316.7	314.6	304.7
Private transportation	310.5	308.6	306.3	296.5
New vehicles	231.8	231.2	230.6	224.5
Used cars	385.5	383.0	378.6	360.3
Motor fuel.....	311.2	306.0	299.7	280.2
Maintenance and repair	376.8	376.3	376.1	363.4
Public transportation	438.3	438.1	439.6	428.0
Medical care.....	464.1	461.3	458.9	434.8
Medical care commodities	293.4	291.5	289.6	275.4
Medical care services	501.5	498.4	496.0	469.8
Professional services	418.9	416.7	413.9	391.7
Entertainment	283.5	282.3	282.0	274.4
Other goods and services.....	365.1	362.9	362.0	344.9
Personal care.....	300.2	299.2	299.0	291.1
Personal and educational expenses	456.5	455.5	454.4	421.2

¹ Indexes based on December 1982 = 100 base.

² Includes wood, charcoal, and peat, not previously priced.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

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PLEASE NOTE

Information on food stamp allotments described in footnote 2 on page 16 of the Family Economics Review 1987(3) issue, should be amended as follows:

Recipients are given quantities of food stamps based on their income levels and family size. Age affects participation eligibility but not allotment level. Allotment levels are higher for Alaska and Hawaii than for the 48 contiguous States and Washington, DC. For further information, see "Food Stamp Program," Family Economics Review 1987(3):18-19.

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